

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT
AND FAMILY SUPPORT PROGRAMS

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
APPROPRIATION LANGUAGE AND EXPLANATION OF LANGUAGE CHANGES.....	F-3
AMOUNTS AVAILABLE FOR OBLIGATION	F-5
SUMMARY OF CHANGES	F-6
BUDGET AUTHORITY BY ACTIVITY	F-7
BUDGET AUTHORITY BY OBJECT	F-7
AUTHORIZING LEGISLATION	F-8
APPROPRIATIONS HISTORY TABLE.....	F-9
JUSTIFICATION:	
GENERAL STATEMENT	F-10
RESOURCE AND PROGRAM DATA.....	F-15
STATE TABLES	F-18

This page intentionally left blank.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States For Child Support Enforcement and Family Support Programs

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act [and the Act of July 5, 1960 (24 U.S.C. ch. 9), \$2,121,643,000] \$2,752,697,000, to remain available until expended, *of which, up to \$5,000,000 is for repatriation of U.S. citizens returned from foreign countries pursuant to Section 1113 of the Act (notwithstanding subsection(d) of such section)*; and for such purposes for the first quarter of fiscal year [2007, \$1,200,000,000] 2008, \$1,000,000,000, to remain available until expended.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: *Provided*, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act .

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act [and the Act of July 5, 1960 (24 U.S.C. ch. 9)], for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Department of Health and Human Services Appropriations Act, 2006

LANGUAGE ANALYSIS

Language Provision	Explanation
“...[the Act of July 5, 1960 (24 U.S.C. ch. 9), \$2,121,643,000]...”	This language, which provides the authorization for the Repatriation Program, can be deleted since authority for the program is contained in title XI (section 1113) of the Social Security Act, which is previously cited.

“...of which, up to \$5,000,000 is for repatriation of U.S. citizens returned from foreign countries pursuant to Section 1113 of the Act (notwithstanding subsection(d) of such section,...”

The current limitation of \$1,000,000 has been in place since FY 1987 and is no longer sufficient to continue operation of this program. The ongoing costs of the program are approximately \$1,000,000 annually, leaving insufficient funds available to respond to emergency repatriations of United States citizens due to war, threat of war, invasion, natural disaster or similar crises. The increase to \$5,000,000 will provide the flexibility necessary to meet increasing programmatic needs as well as accommodate a quick response to emergency repatriation situations. The FY 2007 ACF estimate to support current program needs is \$1,300,000.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Payments to States for Child Support Enforcement and Family Support Programs

Amounts Available for Obligation

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
Appropriation:			
Current Year	\$2,873,802,000	\$2,121,643,000	\$2,759,997,000
Advance	1,200,000,000	1,200,000,000	1,200,000,000
Indefinite	0	0	0
Subtotal, net budget authority	4,073,802,000	3,321,643,000	3,959,997,000
Offsetting collections	220,174,000	224,000,000	7,000,000
Subtotal, gross budget authority	4,293,976,000	3,545,643,000	3,966,997,000
Unobligated balance start of year	558,836,000	728,316,000	155,465,000
Recovery of prior year obligations	2,880,000	0	0
Unobligated balance end of year ...	-728,316,000	-155,465,000	0
Total Obligations	\$4,127,376,000	\$4,118,494,000	\$4,122,462,000

ADMINISTRATION FOR CHILDREN AND FAMILIES

Payments to States for Child Support Enforcement and Family Support Programs

SUMMARY OF CHANGES

FY 2006 Enacted budget authority	\$3,321,643,000
(Obligations)	\$4,118,494,000
 FY 2007 Estimate	 \$3,959,997,000
(Obligations)	\$4,122,462,000
Net change	+\$638,354,000
(Obligations)	+\$3,968,000

	<u>2006 Enacted</u>	<u>Change from Base</u>
Increases:		
<u>Built-in:</u>		
Increase in amount available for incentive payments to states.....	\$458,000,000	+\$13,000,000
Increase in budget authority needed due to FY 2005 carryover budget authority reducing FY 2006 budget authority.....	3,321,643,000	+417,386,000
Increase in budget authority needed due to anticipated reduction in offsetting collections received from states paying alternative systems penalties.....	3,321,643,000	+217,000,000
<u>Program:</u>		
Increase in administrative costs due to legislative proposals.....	3,611,494,000	+5,000,000
Increase in Access and Visitation Grants to states..	10,000,000	+2,000,000
Increase in Repatriation costs due to legislative proposal.....	1,000,000	+300,000
Total Increases		<u>+\$654,686,000</u>
Decreases:		
<u>Built-in:</u>		
Decrease in Child Support Enforcement Administrative costs.....		-16,332,000
Total Decreases		<u>-16,332,000</u>
Net Change.....		<u>+\$638,354,000</u>

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Child Support Enforcement and Family Support Programs

Budget Authority by Activity
(Obligations)

	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Estimate</u>
CHILD SUPPORT ENFORCEMENT:			
State Child Support Administrative Costs	\$3,637,491,000	\$3,611,494,000	\$3,600,162,000
Federal Incentive Payments to States	446,000,000	458,000,000	471,000,000
Access and Visitation Grants.....	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>
Subtotal, Child Support Enforcement	4,093,491,000	4,079,494,000	4,083,162,000
OTHER PROGRAMS:			
Payments to Territories - Adults.....	32,885,000	38,000,000	38,000,000
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,300,000</u>
Subtotal, Other Programs	33,885,000	39,000,000	39,300,000
Total Obligations.....	\$4,127,376,000	\$4,118,494,000	\$4,122,462,000

Budget Authority by Object
(Obligations)

	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Estimate</u>	<u>Increase or</u> <u>Decrease</u>
Grants, subsidies and contributions	\$4,118,494,000	\$4,122,462,000	+\$3,968,000
Total obligations	\$4,118,494,000	\$4,122,462,000	+\$3,968,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Child Support Enforcement and Family Support Programs

Authorizing Legislation

	2006 Amount <u>Authorized</u>	2006 <u>Enacted</u>	2007 Amount <u>Authorized</u>	2007 <u>Estimate</u>
Payments to States for Child Support Enforcement and Family Support Programs: Titles I, IV-A and -D, X, XI, XIV and XVI of the Social Security Act.	Indefinite ¹	\$3,321,643,000	Indefinite ¹	\$3,959,997,000

¹ Generally, indefinite authority is authorized for this account; however, there are specific authorizations for a few of the programs covered by this appropriation:

- Section 1108(a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam and the Virgin Islands under titles I, X, XIV, XVI, parts A and E of title IV and subsection 1108(b)(Matching grants). The limitations, which were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$3,554,000 for the Virgin Islands, \$4,686,000 for Guam, and \$1,000,000 for American Samoa.
- Section 1113 of the Social Security Act provides for a \$1,000,000 limitation on funding for repatriated U.S. citizens and dependents who return because of destitution, illness or international crisis. This budget includes a proposal to increase the annual limit on funding for this program to \$5,000,000.
- Access and Visitation Grants are authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L.104-193) for \$10,000,000 for each fiscal year. This budget includes a proposal to increase the level to \$12,000,000 for FY 2007.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Child Support Enforcement and Family Support Programs

APPROPRIATIONS HISTORY TABLE

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997	\$18,101,000,000	\$18,101,000,000	\$18,101,000,000	\$6,958,000,000 ⁴
1998	607,000,000	607,000,000	607,000,000	607,000,000 ⁵
1999	2,648,794,000	2,648,794,000	2,648,794,000	2,648,794,000 ⁶
2000	750,000,000	750,000,000	750,000,000	1,010,248,000 ⁷
2001	3,091,800,000	3,091,800,000	3,091,800,000	3,091,800,000
2002	3,447,800,000	3,447,800,000	3,447,800,000	3,846,518,000 ⁸
2003	4,036,800,000	4,036,800,000	4,036,800,000	3,845,224,000 ⁹
2004	4,412,970,000	4,412,970,000	4,412,970,000	4,412,537,000 ¹⁰
2005	4,025,802,000	4,073,802,000	4,073,802,000	4,073,802,000
2006	3,271,943,000 ¹	3,321,643,000	3,321,643,000	3,321,643,000
2007	3,959,997,000 ²			
2008	1,000,000,000 ³			

¹ Amount requested to finance estimated obligations including \$1,200,000,000 advance appropriation. The FY 2006 request reflects carryover from FY 2005 of \$728,316,000 that will be used to finance obligations.

² Amount requested to finance estimated obligations including \$1,200,000,000 advance appropriation. The FY 2007 request reflects anticipated unobligated balance carryover from FY 2006 of \$155,465,000 that will be used to finance obligations.

³ Requested advance for first quarter.

⁴ Sum of the FY 1997 advance appropriation of \$4,800,000,000 and the FY1997 appropriation for child support enforcement of \$2,158,000,000 due to the enactment of the PRWORA of 1996 creating TANF.

⁵ Advance appropriation only. Due to the unobligated balance carryover from FY 1997 to FY 1998 and the advance appropriation for the first quarter, an appropriation was not needed to finance obligations.

⁶ Amount appropriated consisting of the \$660,000,000 advance appropriation and the appropriated amount of \$1,988,794,000.

⁷ The first three columns include the advance appropriation only. The last column includes \$260,248,000 in indefinite authority used to finance obligations.

⁸ Includes \$398,718,000 in indefinite authority used to finance obligations.

⁹ Includes \$234,729,000 in indefinite authority used to finance obligations.

¹⁰ Includes \$19,567,000 in indefinite authority used to finance obligations.

Payments to States for Child Support Enforcement and Family Support Programs

Justification (Obligations)

Authorizing Legislation –Titles I, IV-D, X, XI, XIV and XVI of the Social Security Act.

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
<u>Child Support Enforcement:</u>				
State Child Support Administrative Costs	\$3,637,491,000	\$3,611,494,000	\$3,600,162,000	-\$11,332,000
Federal Incentive Payments to States	446,000,000	458,000,000	471,000,000	+13,000,000
Access and Visitation	<u>10,000,000</u>	<u>10,000,000</u>	<u>12,000,000</u>	<u>+2,000,000</u>
Subtotal, CSE	\$4,093,491,000	\$4,079,494,000	\$4,083,162,000	+\$3,668,000
<u>Other Programs:</u>				
Payments to Territories	32,885,000	38,000,000	38,000,000	0
Repatriation	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,300,000</u>	<u>+300,000</u>
Subtotal, Other Programs	\$33,885,000	\$39,000,000	\$39,300,000	+\$300,000
Total Gross Obligations	4,127,376,000	4,118,494,000	4,122,462,000	+3,968,000
Spending Authority from Offsetting Collections ¹	<u>-220,174,000</u>	<u>-224,000,000</u>	<u>-7,000,000</u>	<u>+217,000,000</u>
Total Net Obligations	\$3,907,202,000	\$3,894,494,000	\$4,115,462,000	+\$220,968,000

2007 Authorization....Such sums as may be appropriated.

¹ State alternative systems penalties paid by check instead of grant offset. Penalties are used to offset budget authority required to pay grants.

General Statement

The Payments to States for Child Support Enforcement and Family Support Programs support state-administered programs of financial assistance and supportive services for low-income families to promote their economic security and self-sufficiency. In FY 2007 four programs will be funded: State administrative expenses and incentive payments to states for Child Support Enforcement; Access and Visitation grants to enable states and tribes to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children; Payments for adult-only benefits under assistance programs for the aged, blind and disabled residents of Guam, Puerto Rico, the Virgin Islands, and American Samoa; and Repatriation of American citizens and dependents returned from foreign countries as a result of illness, destitution, war or other crisis, who need temporary cash and services.

This budget assumes enactment of S. 1932 (the Deficit Reduction Act of 2005). This Act includes several critical Presidential initiatives impacting the Child Support Enforcement program including: state options to direct more child support collections to children and families; new efforts to increase collections such as expanding passport denial, mandatory review and adjustment of support orders, improving processes for identifying proceeds from insurance settlements, and requiring states to consider both parents' access to health insurance coverage when establishing child support orders; and an annual user fee of \$25 for child support cases with collections who have never received TANF assistance. Additionally, the federal match rate for genetic testing is reduced from 90 percent to 66 percent and states will be prohibited from using incentive payments as a state share of costs for purposes of claiming federal matching funds.

Statement of the Budget Request — The President's FY 2007 budget request of \$3.960 billion reflects current law of \$3.953 billion adjusted by +\$.007 billion assuming Congressional action on several legislative proposals. The President's legislative proposals will build on the measures included in the Deficit Reduction Act of 2005 and continue to move the Child Support Enforcement Program toward a focus on healthy, financially strong families by strengthening and expanding enforcement efforts. Over five years it is estimated that these combined proposals will have a federal savings of \$17 million and will result in almost \$1.6 billion in additional financial support to families.

New child support enforcement legislation will be included to require states to collect from employers the date a new hire starts work and to include this information in their State Directory of New Hires. In turn, states would share this information with the Federal Directory of New Hires. This information will benefit the Department of Labor's efforts to detect overpayments in the Unemployment Benefits Insurance program and is estimated to save \$230 million over 10 years.

This request also includes several child support proposals from previous President's Budgets aimed at increasing collections (offset of certain Social Security benefits, intercept of gaming winnings, closing a loophole to allow garnishment of longshoremen's benefits, and improving processes for freezing and seizing assets in multi-state financial institutions) and improving states' efforts to collect medical support on behalf of children by providing Child Support agencies with COBRA notices so they can assist families in providing continuous health care coverage. The proposals also recognize that healthy families need more than financial support alone and increase resources for Access and Visitation Programs to support and facilitate non-custodial parents' access to and visitation of their children.

Amounts requested for FY 2007 support the continued operation of the Payments to Territories – Adults and the Repatriation programs, including an increase to the annual limit on funding for the Repatriation program from \$1,000,000 to \$5,000,000. The current limitation of \$1,000,000 has been in place since FY

1987 and is no longer sufficient to continue operation of this program. The ongoing costs of the program are approximately \$1,000,000, leaving insufficient funds available to respond to emergency repatriations of United States citizens due to war, threat of war, invasion, natural disaster or similar crises. The increase of the limitation to \$5,000,000 will provide the flexibility necessary to meet increasing programmatic needs as well as accommodate quick responses to emergency repatriation situations. The FY 2007 ACF estimate to support current program needs is \$1,300,000.

Program Description —

Child Support Enforcement

The Child Support Enforcement program (CSE) is a federal/state effort to foster family responsibility and promote self-sufficiency by ensuring that both parents support children financially and emotionally. It reduces the need for public assistance and its cost to the taxpayers. CSE agencies locate non-custodial parents, establish paternity when necessary, and establish and enforce orders for support.

The Administration for Children and Families' (ACF) strategic goal of increasing economic independence and productivity for families is dependent upon a strategy of increasing income through the enforcement of child support. The program strengthens families by helping children get the support they are owed from non-custodial parents. By securing support from non-custodial parents on a consistent and continuing basis, families may avoid the need for publicly funded assistance, thus reducing government spending. In non-TANF cases, child support collections are forwarded to the custodial family. TANF families are required to assign their rights to support they are due while on TANF to the state as a condition of receipt of assistance. The federal government shares in the cost of state options to distribute more collections to current and former TANF families instead of returning these collections as reimbursement to the state and federal government for the costs of providing TANF benefits. States may opt to pass through up to \$100 a month (or \$200 a month for families with two or more children) of child support to current TANF families as long as these collections are disregarded in determining TANF eligibility and benefit levels. Additionally, states have the option to pass through all child support collections to former TANF families. States receive incentive payments based on state performance in paternity establishment, order establishment, collection of current support and arrears in addition to cost-effectiveness.

The federal government provides funding through a 66 percent match rate for general state administrative costs and funding of incentive payments (\$471 million for FY 2007).

Access and Visitation Grants

This grant program was created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Funding began in FY 1997 with a capped entitlement of \$10 million. Every Governor has designated a state agency that will use these grant funds to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children. Activities which may be funded include: mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pick-up), and development of guidelines for visitation and alternative custody arrangements. The funding is separate from funding for federal and state administration of the Child Support Enforcement program.

Payments to Territories -- Adults (Aged, Blind and Disabled)

State maintenance assistance programs for the aged, blind and disabled were federalized under Title XVI of the Social Security Act as the Supplemental Security Income program on January 1, 1974. A small residual program, however, remains for the residents of Puerto Rico, Guam, and the Virgin Islands. These grants are subject to spending limitations under Section 1108 of the Social Security Act. The limitations, which were established by P.L. 104-193 and most recently amended by P.L. 105-33, are: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands, and \$1,000,000 for American Samoa.

Repatriation

This program provides assistance to U.S. citizens and their dependents returning from foreign countries that have been determined by the Department of State to be destitute, mentally ill or requiring emergency evacuation due to threatened armed conflict, civil strife or natural disasters. The authorizing statute, Section 1113 of the Social Security Act, sets the funding level for the repatriation program. Spending is entirely dependent upon external events, and is affected substantially by the extent of conflict and natural disasters abroad.

The repatriation program traditionally reimburses states directly for assistance provided by them to individual repatriates and for state administrative costs. In January 1997, the program entered into a cooperative agreement with a national, private organization for provision of some of the direct services for the destitute and mentally ill individuals. All individuals receiving assistance are expected to repay the cost of such assistance. These repatriate debts are collected by the Program Support Center, which is the HHS component charged with collecting debts owed by individuals.

Performance Analysis — A PART assessment was conducted for this program in FY 2005 and the Child Support Enforcement program received a PART rating of Effective, making it one of the highest rated social services programs and one of the highest rated block/formula grant programs among all programs reviewed government-wide.

The Child Support Enforcement program collected an estimated \$23 billion in FY 2005, serving 16 million child support cases. Since the creation of the Child Support Enforcement program, child support collections within the program have grown annually. States have increased collections by using a wide variety of approaches such as income withholding, offset of income tax refunds, and reporting to credit bureaus. In addition, states are continuing to reap the benefits of the tools provided by PRWORA.

- The government collected \$1.5 billion in overdue child support from federal income tax refunds for tax year 2004. These collections were made on behalf of nearly 1.4 million families.
- A program to match a list of delinquent parents with financial institution records found over 1.9 million accounts during 2004 belonging to about 1,086,000 delinquent non-custodial parents nationwide states voluntarily reporting collections of \$98 million.
- The number of paternities established or acknowledged was 1.6 million in FY 2004. Of these, about 915,000 were established through in-hospital acknowledgement programs.
- Voluntary state reports indicate that the Passport Denial program resulted in collections of over \$13.25 million in lump sum child support payments in FY 2004.

- Using the expanded Federal Parent Locator Services, OCSE was able to provide states information on over 4.2 million non-custodial parents and putative fathers.

ACF will measure the CSE program's success using the outcome measures which are part of the incentive system to gauge the achievement of the goals and objectives of the National CSE Strategic Plan.

- The paternity establishment rate will remain the same target of 98 percent for FY 2006 and FY 2007 – This measure directly indicates achievement of the performance target by comparing paternities established during the fiscal year with the number of non-marital births during the preceding fiscal year. In FY 2004, the target was 98 percent and actual performance was 99 percent. The rate includes paternities established by the IV-D program and paternities established by hospital-based programs.
- The child support order establishment rate will increase from the FY 2006 target of 72 percent to 73 percent for FY 2007 – A support order is needed to collect child support. This measure directly indicates achievement of the performance target by comparing the number of IV-D cases with support orders with the number of IV-D cases. In FY 2004, the actual performance was 74 percent, exceeding the target of 70 percent.
- The collection rate for current support will increase from the FY 2006 target of 62 percent to 63 percent for FY 2007 – This measure, which is a proxy for the regular and timely payment of support, directly indicates achievement of the performance target by comparing total dollars collected for current support in IV-D cases with total dollars owed for current support in IV-D cases. In FY 2004, actual performance was 1 percent less than the target of 60 percent.
- The percentage of cases with child support arrearages that pay some amount is projected to remain the same at the FY 2006 target of 64 percent in FY 2007 – This measure directly indicates achievement of the performance target by comparing the total number of IV-D cases paying any amount toward arrears with the total number of IV-D cases with arrears. In FY 2004, the target was 62 percent and the actual performance was 60 percent.
- The cost-effectiveness ratio (total dollars collected per \$1 of expenditures) target will be adjusted from \$4.49 for FY 2006 to \$4.56 for FY 2007 – This measure directly indicates achievement of the performance target by comparing total IV-D child support dollars collected by states with total IV-D dollars expended by states for administrative costs. In FY 2004, the actual ratio was \$4.38, exceeding the target of \$4.35.

Performance Goal	Results	Context
Increase the percentage of IV-D cases having support orders. The target for FY 2004 was 70 percent.	In FY 2004, the actual support order percent was 74 percent, exceeding the target by 4 percentage points.	A support order is needed to collect child support. Surpassing the target was accomplished primarily through the tools provided by the PRWORA legislation.

Both the Payments to Territories and Repatriation programs have not been separated out individually for performance analysis, as they are both included in the larger program assessments. The Temporary Assistance for Needy Families chapter of this document (Chapter J) includes performance information that includes the Payments to Territories program. The Refugee and Entrant Assistance chapter (Chapter E) includes performance information that includes the Repatriation program.

Resource and Program Data
State Child Support Administrative Costs
(Obligations)

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$3,637,491,000	\$3,611,494,000	\$3,600,162,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$3,637,491,000	\$3,611,494,000	\$3,600,162,000
<u>Program Data:</u>			
Number of Grants	68	86	95
New Starts:			
#	5	18	9
\$	\$1,200,000	\$4,400,000	\$2,250,000
Continuations:			
#	63	68	86
\$	\$3,636,291,000	\$3,607,094,000	\$3,597,912,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Federal Incentive Payments to States

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Incentive	\$446,000,000	\$458,000,000	\$471,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$446,000,000	\$458,000,000	\$471,000,000
<u>Program Data:</u>			
Number of Grants	54	54	54
New Starts:			
#			
\$			
Continuations:			
#	54	54	54
\$	\$446,000,000	\$458,000,000	\$471,000,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Access and Visitation Grants

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$10,000,000	\$10,000,000	\$12,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$10,000,000	\$10,000,000	\$12,000,000
<u>Program Data:</u>			
Number of Grants	54	54	62
New Starts:			
#			8
\$			\$250,000
Continuations:			
#	54	54	54
\$	\$10,000,000	\$10,000,000	\$11,750,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Federal Share of State and Local Administrative Costs and Incentives (CFDA #93.563)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$46,524,089	\$46,312,731	\$46,183,227	-\$129,504
Alaska	14,223,287	14,158,671	14,119,079	-39,592
Arizona	46,439,460	46,228,487	46,099,218	-129,269
Arkansas	32,708,498	32,559,904	32,468,857	-91,047
California	868,222,019	864,277,713	861,860,932	-2,416,781
Colorado	48,575,732	48,355,054	48,219,839	-135,215
Connecticut	54,584,509	54,336,533	54,184,592	-151,941
Delaware	16,104,778	16,031,614	15,986,785	-44,829
District of Columbia	7,674,278	7,639,414	7,618,052	-21,362
Florida	192,972,265	192,095,598	191,558,440	-537,158
Georgia	79,002,646	78,643,739	78,423,828	-219,911
Hawaii	11,892,655	11,838,627	11,805,523	-33,104
Idaho	32,740,701	32,591,961	32,500,824	-91,137
Illinois	123,578,471	123,017,058	122,673,065	-343,993
Indiana	64,291,632	63,999,557	63,820,595	-178,962
Iowa	31,877,747	31,732,927	31,644,192	-88,735
Kansas	48,567,164	48,346,525	48,211,333	-135,192
Kentucky	31,646,979	31,503,208	31,415,115	-88,093
Louisiana	61,396,217	61,117,296	60,946,393	-170,903
Maine	11,213,625	11,162,682	11,131,468	-31,214
Maryland	93,157,071	92,733,861	92,474,549	-259,312
Massachusetts	103,527,197	103,056,876	102,768,698	-288,178
Michigan	135,871,276	135,254,017	134,875,806	-378,211
Minnesota	93,256,004	92,832,345	92,572,757	-259,588
Mississippi	34,894,593	34,736,068	34,638,935	-97,133
Missouri	54,558,065	54,310,209	54,158,342	-151,867
Montana	12,240,558	12,184,950	12,150,877	-34,073
Nebraska	36,168,345	36,004,033	35,903,355	-100,678
Nevada	32,014,934	31,869,491	31,780,374	-89,117
New Hampshire	26,727,556	26,606,134	26,531,735	-74,399
New Jersey	124,433,018	123,867,723	123,521,351	-346,372
New Mexico	53,534,297	53,291,092	53,142,074	-149,018
New York	192,598,013	191,723,046	191,186,930	-536,116
North Carolina	72,549,941	72,220,349	72,018,399	-201,950
North Dakota	40,644,018	40,459,373	40,346,237	-113,136

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	208,666,982	207,719,014	207,138,169	-580,845
Oklahoma	34,715,425	34,557,714	34,461,080	-96,634
Oregon	65,136,413	64,840,500	64,659,187	-181,313
Pennsylvania	128,630,311	128,045,947	127,687,892	-358,055
Rhode Island	1,707,428	1,699,671	1,694,918	-4,753
South Carolina	32,325,987	32,179,131	32,089,148	-89,983
South Dakota	53,220,356	52,978,578	52,830,433	-148,145
Tennessee	55,849,004	55,595,284	55,439,822	-155,462
Texas	180,975,339	180,153,173	179,649,411	-503,762
Utah	41,113,136	40,926,360	40,811,918	-114,442
Vermont	40,728,215	40,543,188	40,429,817	-113,371
Virginia	66,200,193	65,899,448	65,715,173	-184,275
Washington	72,642,566	72,312,553	72,110,345	-202,208
West Virginia	20,852,423	20,757,691	20,699,646	-58,045
Wisconsin	78,932,252	78,573,665	78,353,949	-219,716
Wyoming	6,041,129	6,013,684	5,996,868	-16,816
Subtotal	4,018,148,797	3,999,894,467	3,988,709,552	-11,184,915
Indian Tribes	12,502,341	17,000,000	30,000,000	13,000,000
Guam	6,901,736	6,870,382	6,851,170	-19,212
Puerto Rico	33,169,021	33,018,335	32,926,006	-92,329
Virgin Islands	12,768,824	12,710,816	12,675,272	-35,544
Subtotal	65,341,922	69,599,533	82,452,448	12,852,915
Total States/Territories	4,083,490,719	4,069,494,000	4,071,162,000	1,668,000
TOTAL RESOURCES	\$4,083,490,719	\$4,069,494,000	\$4,071,162,000	\$1,668,000

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Access and Visitation Grants (CFDA #93.597)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$142,610	\$142,610	\$171,044	\$28,434
Alaska	100,000	100,000	120,000	20,000
Arizona	179,474	179,474	180,153	679
Arkansas	100,000	100,000	120,000	20,000
California	988,710	988,710	1,132,168	143,458
Colorado	130,679	130,679	139,351	8,672
Connecticut	101,505	101,505	120,000	18,495
Delaware	100,000	100,000	120,000	20,000
District of Columbia	100,000	100,000	120,000	20,000
Florida	519,757	519,757	566,946	47,189
Georgia	272,041	272,041	320,011	47,970
Hawaii	100,000	100,000	120,000	20,000
Idaho	100,000	100,000	120,000	20,000
Illinois	329,141	329,141	402,796	73,655
Indiana	164,289	164,289	212,682	48,393
Iowa	100,000	100,000	120,000	20,000
Kansas	100,000	100,000	120,000	20,000
Kentucky	115,835	115,835	141,772	25,937
Louisiana	175,073	175,073	198,792	23,719
Maine	100,000	100,000	120,000	20,000
Maryland	176,152	176,152	201,635	25,483
Massachusetts	171,937	171,937	201,413	29,476
Michigan	289,707	289,707	365,133	75,426
Minnesota	123,675	123,675	149,350	25,675
Mississippi	113,215	113,215	129,516	16,301
Missouri	171,130	171,130	203,496	32,366
Montana	100,000	100,000	120,000	20,000
Nebraska	100,000	100,000	120,000	20,000
Nevada	100,000	100,000	120,000	20,000
New Hampshire	100,000	100,000	120,000	20,000
New Jersey	217,628	217,628	250,481	32,853
New Mexico	100,000	100,000	120,000	20,000
New York	605,368	605,368	707,385	102,017
North Carolina	272,566	272,566	289,447	16,881
North Dakota	100,000	100,000	120,000	20,000

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	334,160	334,160	415,745	81,585
Oklahoma	100,000	100,000	123,616	23,616
Oregon	100,000	100,000	120,000	20,000
Pennsylvania	341,055	341,055	389,494	48,439
Rhode Island	100,000	100,000	120,000	20,000
South Carolina	142,481	142,481	162,056	19,575
South Dakota	100,000	100,000	120,000	20,000
Tennessee	178,061	178,061	208,949	30,888
Texas	646,627	646,627	724,972	78,345
Utah	100,000	100,000	120,000	20,000
Vermont	100,000	100,000	120,000	20,000
Virginia	192,500	192,500	237,460	44,960
Washington	171,388	171,388	201,755	30,367
West Virginia	100,000	100,000	120,000	20,000
Wisconsin	133,236	133,236	172,487	39,251
Wyoming	100,000	100,000	120,000	20,000
Subtotal	9,700,000	9,700,000	11,360,105	1,660,105
Tribes			250,000	250,000
Guam	100,000	100,000	120,000	20,000
Puerto Rico	100,000	100,000	149,895	49,895
Virgin Islands	100,000	100,000	120,000	20,000
Subtotal	300,000	300,000	639,895	339,895
Total States/Territories	10,000,000	10,000,000	12,000,000	2,000,000
TOTAL RESOURCES	\$10,000,000	\$10,000,000	\$12,000,000	\$2,000,000

Resource and Program Data
Payments to Territories – Adults (Aged, Blind, Disabled)

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$32,885,000	\$38,000,000	\$38,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$32,885,000	\$38,000,000	\$38,000,000
<u>Program Data:</u>			
Number of Grants	3	3	3
New Starts:			
#			
\$			
Continuations:			
#	3	3	3
\$	\$32,885,000	\$38,000,000	\$38,000,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Repatriation

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary	\$1,000,000	\$1,000,000	\$1,300,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,000,000	\$1,000,000	\$1,300,000
<u>Program Data:</u>			
Number of Grants	1	1	1
New Starts:			
#			
\$			
Continuations:			
#	1	1	1
\$	\$1,000,000	\$1,000,000	\$1,300,000
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

This page intentionally left blank.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
APPROPRIATION LANGUAGE AND EXPLANATION OF LANGUAGE CHANGES.....	G-3
AMOUNTS AVAILABLE FOR OBLIGATION	G-4
SUMMARY OF CHANGES	G-5
BUDGET AUTHORITY BY ACTIVITY	G-6
BUDGET AUTHORITY BY OBJECT	G-6
SIGNIFICANT ITEMS IN HOUSE, SENATE, AND CONFERENCE APPROPRIATION COMMITTEE	
REPORTS	G-7
AUTHORIZING LEGISLATION.....	G-8
APPROPRIATIONS HISTORY TABLE	G-9
JUSTIFICATION:	
GENERAL STATEMENT.....	G-10
RESOURCE AND PROGRAM DATA.....	G-16
STATE TABLES.....	G-19

This page intentionally left blank.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Foster Care and Adoption Assistance

For making payments to States or other non-Federal entities under title IV-E of the Social Security Act, [\$4,852,800,000] \$5,211,000,000.

For making payments to States or other non-Federal entities, under title IV-E of the Act, for the first quarter of fiscal year [2007, \$1,730,000,000] 2008, \$1,810,000,000.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under section 474 of title IV-E, for the last 3 months of the current fiscal year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

Department of Health and Human Services Appropriations Act, 2006

Note: The President's Budget includes a legislative proposal supporting the creation of a child welfare program option for the Foster Care program which would require an additional \$25 million in FY 2007 and an increase in the advance for FY 2008 of \$30 million. The program option is cost neutral over five years. A legislative proposal to allow the District of Columbia to use the same match rate in the title IV-E programs as in Medicaid would require an additional \$7 million in 2007 and an increase in the advance for 2008 of \$1 million.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Payments to States for Foster Care and Adoption Assistance

	<u>Amounts Available for Obligation</u>		
	<u>2005 Actual</u>	<u>2006 Appropriation</u>	<u>2007 Estimate</u>
Appropriation Annual (definite)			
Permanent	\$5,037,900,000	\$4,852,800,000	\$5,243,000,000
Appropriation Annual (indefinite)	1,767,700,000	1,767,200,000	1,730,000,000
		88,000,000	
Total Appropriation	\$6,805,600,000	\$6,708,000,000	\$6,973,000,000
Unobligated balance lapsing	-\$582,280,877	-\$52,000,000	
Total obligations	\$6,223,319,705	\$6,656,000,000	\$6,973,000,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Payments to States for Foster Care and Adoption Assistance

SUMMARY OF CHANGES

2006 Appropriation

Total estimated budget authority	\$6,708,000,000
(Obligations)	(\$6,656,000,000)

2007 Estimate	\$6,973,000,000
(Obligations)	(\$6,973,000,000)
Net change	+\$265,000,000
(Obligations)	(+ \$317,000,000)

	<u>2006 Current Budget Base</u>	<u>Change from Base</u>
	<u>Budget Authority</u>	<u>Budget Authority</u>
Increases:		
A. <u>Built-in:</u>		
1. Foster Care – Increase in payments	\$4,685,000,000	+\$72,000,000
2. Adoption assistance – Increase in children and payments	\$1,883,000,000	+\$161,000,000
Subtotal		+\$233,000,000
B. <u>Program:</u>		
1. Foster Care – Increase for new alternative funding option for foster care		+25,000,000
2. Foster Care/Adoption Assistance – Increased federal match rate for the District of Columbia		+7,000,000
Subtotal, Program increases		+\$32,000,000
Total increases		+\$265,000,000
Net Change		+\$265,000,000

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Payments to States for Foster Care and Adoption Assistance

Budget Authority by Activity
(dollars in thousands)

	<u>2005 Actual</u>	<u>2006 Final Appropriation</u>	<u>2007 Estimate</u>
Foster Care	\$4,643,000	\$4,698,000	\$4,786,000
Adoption Assistance	1,770,100	1,883,000	2,047,000
Independent Living	140,000	140,000	140,000
Total Budget Authority	\$6,805,600	\$6,708,000	\$6,973,000
(Total Obligations)	(6,223,319)	(6,656,000)	

Budget Authority by Object

	<u>2006 Appropriation</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Salaries and benefits (11.0, 12.0 & 13.0).....	\$214,000	\$223,000	+\$9,000
Travel (21.0).....	3,000	294,000	+291,000
Communications, utilities and misc. (23.0)	283,000	283,000	0
Advisory and assistance services (25.1)	16,582,000	14,465,000	-2,117,000
Purchases from government accounts (25.3)	847,000	882,000	+35,000
Research and development (25.5)	0	1,000,000	+1,000,000
Supplies and materials (26.0) ...	5,000	5,000	0
Grants, subsidies and contributions (41.0)	6,638,066,000	6,955,848,000	+317,782,000
Total Obligations	\$6,656,000,000	\$6,973,000,000	+\$317,000,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Payments to States for Foster Care and Adoption Assistance

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE
APPROPRIATIONS COMMITTEE REPORTS

FY 2006 Senate Appropriations Committee Report Language (S.Rpt 109-103)

Item

[Child and Family Services reviews – collaborative monitoring systems] – The Committee continues its interest in the Department’s Child and Family Services reviews. These reviews are an effective method for monitoring the progress states are making in assuring the safety, health, and permanency for children in child welfare and foster care as required in the Adoption and Safe Families Act. The Committee encourages the Department to make available sufficient resources to ensure full implementation of the new collaborative monitoring system. The Committee directs ACF to continue to provide information on the progress of the reviews in the annual congressional justification. (p. 213)

Action taken or to be taken

The Administration for Children and Families (ACF) completed the initial round of Child and Family Service Reviews (CFSR) in all 50 states, the District of Columbia, and Puerto Rico (“the states”) in March 2004. All states were required to develop and implement Program Improvement Plans (PIP) to address those areas identified in the CFSR as not being in substantial conformity with federal requirements. Currently, ACF has approved PIPs for all 50 states, plus the District of Columbia and Puerto Rico. As of December 2, 2005, 30 states have completed the 2-year implementation period for the PIP. ACF has completed its evaluation of 12 of the 30 states and has determined that those 12 states successfully implemented all required improvements in their PIPs and reached their approved goals. ACF is in the process of evaluating the remaining 18 states that have completed their 2-year PIP implementation periods.

ACF is working to finalize a schedule for beginning the second round of CFSRs, which should begin in the second quarter of FY 2006. ACF recently published in the Federal Register proposed new data measures for use in evaluating state performance in the second round of CFSRs, and is considering comments received in response to the announcement. ACF also has used the findings from the first round of reviews and an analysis of strategies used by states in their Program Improvement Plans to direct the priorities of a network of federally-funded National Resource Centers that provides extensive technical assistance to states during the CFSR process and in implementing the PIPs, and to guide decisions regarding priority areas for discretionary grants funded by ACF.

The compiled findings from the initial 52 CFSRs, along with the reports of individual state reviews and other CFSR information, are posted on the Children’s Bureau website at:
<http://www.acf.dhhs.gov/programs/cb/cwrp/index.htm> The analysis of states’ Program Improvement Plans will be posted soon on the website.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Payments to States for Foster Care and Adoption Assistance

Authorizing Legislation

	<u>2006 Amount Authorized</u>	<u>2006 Appropriation</u>	<u>2007 Amount Authorized</u>	<u>2007 Budget Request</u>
1. Foster Care [Section 470 of the Social Security Act]	Such sums	\$4,685,000,000	Such sums	\$4,786,000,000
2. Independent Living [Sections 470 and 477 of the Social Security Act]	\$140,000,000	140,000,000	\$140,000,000	140,000,000
3. Adoption Assistance [Section 470 of the Social Security Act]	Such sums	1,883,000,000	Such sums	2,047,000,000
Total Budget Authority		\$6,708,000,000		\$6,973,000,000
Appropriation against definite authorization		\$140,000,000		\$140,000,000

APPROPRIATIONS HISTORY TABLE
Payments to States for Foster Care and Adoption Assistance

	<u>Budget Estimate to Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1998	\$4,311,000,000	\$4,311,000,000	\$4,311,000,000	\$4,311,000,000
1999				
Advance ¹	1,157,700,000	1,157,500,000	1,157,500,000	1,157,500,000
Appropriation	3,964,000,000	3,764,900,000	3,964,000,000	3,764,000,000
2000				
Advance	1,355,300,000	1,355,300,000	1,355,300,000	1,355,300,000
Appropriation	4,312,300,000	4,307,300,000	4,312,000,000	4,307,300,000
Supplemental	35,000,000	35,000,000	35,000,000	35,000,000 ²
2001				
Leg. proposal	5,000,000	0	0	0
Advance	1,549,700,000	1,538,000,000	1,538,000,000	1,538,000,000
Appropriation	4,863,100,000	4,863,100,000	4,863,100,000	4,863,100,000
2002				
Advance	1,735,900,000	1,735,900,000	1,735,900,000	1,735,900,000
Appropriation	4,885,000,000	4,885,600,000	4,885,600,000	4,885,600,000
Leg. proposal	60,000,000	0	0	0
Rescission				8,000
2003				
Advance	1,754,000,000	1,754,000,000	1,754,000,000	1,754,000,000
Appropriation	4,801,800,000	4,855,000,000	4,855,000,000	4,855,000,000
2004				
Advance	1,745,600,000	1,745,600,000	1,745,600,000	1,745,600,000
Appropriation	4,967,400,000	5,068,300,000	5,068,300,000	5,068,300,000
Leg. Proposal	35,300,000			
2005				
Advance	1,767,700,000	1,767,700,000	1,767,700,000	1,767,700,000
Appropriation	5,037,900,000	5,037,900,000	5,037,900,000	5,037,900,000
Leg. Proposal	-40,400,000			
2006				
Advance	1,767,200,000	1,767,200,000	1,767,200,000	1,767,200,000
Appropriation	4,852,800,000	4,852,800,000	4,852,800,000	4,852,800,000
Indefinite				88,000,000
Leg. Proposal	-40,000,000			
2007				
Advance	1,730,000,000	1,730,000,000	1,730,000,000	1,730,000,000
Appropriation	5,211,000,000			
Leg Proposal	32,000,000			
2008				
Advance	1,810,000,000			
Leg Proposal	31,000,000			

¹ Beginning in the FY 1998 appropriations bill, the Congress began appropriating the first quarter of the next fiscal year for this program in addition to the regular appropriation.

² Reflects \$35 million in supplemental funding for the Independent Living Program.

Payments to States for Foster Care and Adoption Assistance

Justification

Authorizing Legislation — Sections 470 and 477(h)(2) of the Social Security Act

	2005 Actual	2006 Enacted	2007 Estimate	Increase or Decrease
Foster Care	\$4,895,500,000	\$4,685,000,000	\$4,786,000,000	+\$101,000,000
Adoption Assistance	1,770,100,000	1,883,000,000	2,047,000,000	+\$164,000,000
Independent Living	140,000,000	140,000,000	140,000,000	0
Total, BA	\$6,805,600,000	\$6,708,000,000	\$6,973,000,000	+\$265,000,000
(Total Obligations)	(\$6,223,319,123)	(\$6,656,000,000)		

2007 Authorization....Indefinite (with legislative modifications); definite authorization of \$140,000,000 for the Independent Living program.

General Statement

Child welfare programs are designed to enhance the capacity of families to raise children in a nurturing, safe environment; to protect children who have been or are at risk of being abused or neglected; to provide safe, stable, family-like settings consistent with the needs of each child when remaining at home is not in the best interest of the child; to reunite children with their biological families when appropriate; and to secure adoptive homes or other permanent living arrangements for children whose families are not able to care for them. Ensuring the health and safety of the child is always of primary importance in delivering any child welfare service. Key federal entitlement programs supporting child welfare services include the Foster Care, Adoption Assistance, Independent Living, and Promoting Safe and Stable Families programs. Discretionary programs include Child Welfare Services state grants, Child Welfare Training, Child Abuse and Neglect state grants, the Community-Based Child Abuse Prevention grants, the Abandoned Infants Assistance program, the Independent Living Education and Training Vouchers program, the Adoption Opportunities program, and the Adoption Incentives program.

Payments to States for Foster Care and Adoption Assistance includes those entitlement programs which assist states with the costs of maintaining eligible children in foster care, preparing children for living on their own, and finding and supporting adoptive homes for children with special needs who are unable to return home. Administrative and training costs are also supported.

This budget assumes enactment of S. 1932 (the Deficit Reduction Act of 2005). This act included several provisions impacting the Foster Care and Adoption Assistance programs including amending the definition of “home of removal” in determining title IV-E eligibility, clarifying eligible claims for children in unlicensed foster care homes, and clarifying claiming for case management services.

Effects of Proposed Legislation – The FY 2007 request of \$6.973 billion reflects current law of \$6.941 billion adjusted by +\$.032 billion assuming Congressional action on legislation proposed in the FY 2007 budget as follows:

- Alternative funding option for the Foster Care program: The Administration continues to strongly support the Child Welfare Program Option introduced in the President's 2004 Budget. This proposal would allow states the option to receive their foster care funding as a flexible grant for a period of five years or to maintain the program as it is currently funded. The option would provide states with the flexibility to develop a seamless child welfare system that supports a continuum of services to families in crisis and children at risk. States that choose the grant option would be able to use the funds for foster care payments, prevention activities, permanency efforts (including subsidized guardianships), case management, administrative activities (including developing and operating state information systems), training for child welfare staff and other such service related child welfare activities. States would be able to develop innovative and effective systems for preventing child abuse and neglect, keeping families and children safely together, and moving children toward adoption and permanency quickly. This proposal would allow states to receive up-front funding to finance prevention and other child welfare efforts. The up-front funding estimated for FY 2007 is \$25 million, however, this proposal is cost neutral over five years.
- Amend the federal match rate for maintenance payments in both the Adoption Assistance and Foster Care programs for the District of Columbia to 70% from 50%: The Administration continues to support this proposal to bring the match rate for title IV-E of the Social Security Act in line with the match rate for the Medicaid programs as it is currently for all other states. This policy will cost the federal government approximately \$7 million in FY 2007 and \$30 million over five years.

The request also includes \$1,841,000,000 for the first quarter of FY 2008. These funds will ensure the timely awarding of first quarter grants. This amount also includes \$30 million to support the child welfare program option discussed above.

The following table illustrates how the FY 2007 request for new budget authority was derived:

<u>IV-E Program</u>	<u>Appropriated in 2006 for the First Quarter of 2007</u>	<u>Requirement for Quarters 2, 3, and 4 2007</u>	<u>First Quarter Requirement for 2008</u>	<u>Total 2007 Estimate</u>
Foster Care	\$1,215,000,000	\$3,571,000,000	\$1,249,000,000	\$4,786,000,000
Adoption Assistance	480,000,000	1,567,000,000	557,000,000	2,047,000,000
Independent Living	35,000,000	105,000,000	35,000,000	140,000,000
Total, IV-E	\$1,730,000,000	\$5,243,000,000	\$1,841,000,000	\$6,973,000,000

Statement of the Budget Request – The 2007 request provides \$6,833,000,000 to reimburse states in supporting eligible children in foster care and adoption assistance, as well as \$140,000,000 to support states in offering services and support to children in the foster care program transitioning to independence.

Program Description

Foster Care – The Foster Care program supports ACF's goal to improve healthy development, safety, and well-being of children and youth, and to increase the safety, permanency, and well-being of children and youth. This program is an annually appropriated entitlement program with specific eligibility requirements and fixed allowable uses of funds. It provides funds to states for foster care maintenance payments; administrative costs to manage the program, including costs for statewide automated information systems; and training of staff and foster and adopting parents. The average monthly number of children receiving federal foster care payments has declined from over 300,000 in FY 1999 to approximately 235,00 in FY 2005.

Adoption Assistance – The Adoption Assistance program provides funds to states to subsidize families that adopt children with special needs who cannot be reunited with their families, thus preventing long, inappropriate stays in foster care, consistent with ACF's goals to improve healthy development, safety, and well-being of children and youth and to increase the safety, permanency, and well-being of children and youth. To receive adoption assistance benefits, a child must have been determined by the state to be a special needs child, e.g., be older, a member of a minority or sibling group, or have a physical, mental, or emotional disability. Additionally, the child must have been: 1) unable to return home, and the state must have been unsuccessful in its efforts to adopt without medical or financial assistance; and 2) receiving or eligible to receive Aid to Families with Dependent Children, as in effect on July 16, 1996, or title IV-E Foster Care benefits, or Supplemental Security Income benefits. Funds also are used for the administrative costs of managing the program and training staff and adoptive parents. The number of children subsidized by this program and the level of federal reimbursement have increased significantly as permanent adoptive homes are found for more children. Over the past five years, the average monthly number of children for whom payments were made has increased more than 40%, from just over 228,000 in FY 2000, to an estimated 361,800 in FY 2005.

Both the Foster Care and Adoption Assistance programs are annually appropriated entitlement programs. Federal financial participation in state maintenance expenditures is provided at the Medicaid match rate for medical assistance payments, which varies among states from 50 percent to 79 percent. State adoption subsidy payments made on behalf of individual children vary from state to state but may not exceed foster family care rates for comparable children. State administrative costs are matched at a 50 percent rate and training for state and local employees and adoptive parents at a 75 percent rate.

Independent Living – This program originated in 1986 and was permanently authorized as part of Public Law 103-66 in 1993. In FY 1999, the federal Independent Living Program was revised and amended by the enactment of Title I of Public Law 106-169, the John H. Chafee Foster Care Independence Act. The Foster Care Independence Act provides states with more flexibility and additional resources to support child welfare services designed to help youth make the transition from foster care to positive, productive adulthood. This program provides services to foster children under 18 and former foster youth (age 18-21) to help them make the transition to independent living by engaging in a variety of services including, but not limited to, educational assistance, career exploration, vocational training, job placement, life skills training, home management, health services, substance abuse prevention, preventive health activities, and room and board.

States have the authority to extend the lower age limit of youth in foster care who are eligible for independent living services, and states may use up to 30 percent of the Chafee Foster Care Independence Program (CFCIP) allotment to provide room and board (age 18-20) and other independent living services to youth (up to age 21) formerly in foster care. Other provisions of the law include: 1) a formula for determining the amount of state allocation based on a state's percent of children in foster care in proportion to the national total of children in foster care, using data from the most recent year available;

and 2) a “hold harmless” provision for the state allotments so that no state will receive less funding under CFCIP than it received in FY 1998 or \$500,000, whichever is greater. States now have the option of providing Medicaid to foster care youth until age 21. In order to be awarded federal funds, states must provide a 20 percent match.

Funding for the Foster Care, Adoption Assistance, and Independent Living programs during the last five fiscal years has been as follows:

	Foster Care	Adoption Assistance	Independent Living	Total
2002	\$5,055,492,000	\$1,426,000,000	\$140,000,000	\$6,621,492,000
2003	\$4,884,500,000	\$1,584,500,000	\$140,000,000	\$6,609,000,000
2004	\$4,974,200,000	\$1,699,700,000	\$140,000,000	\$6,813,900,000
2005	\$4,895,500,000	\$1,770,100,000	\$140,000,000	\$6,805,600,000
2006	\$4,685,000,000	\$1,883,000,000	\$140,000,000	\$6,708,000,000

Performance Analysis

Foster Care – The Foster Care program was subject to PART review in the FY 2004 and FY 2005 budget cycles, and moved from Results not Demonstrated in FY 2004 to an Adequate rating in the FY 2005 budget cycle.

Seven measures, including one efficiency measure, are used to track annual performance in the title IV-E foster care maintenance payments program. Data from federal fiscal year 2004, the most recent year available, indicate that annual targets for three of the four measures with an FY 2004 target were either met or exceeded. States are, for example, meeting targets in the areas of moving children to permanency and ensuring stability in foster care placements. Performance in the one measure where the target was not met (reducing repeat maltreatment) remained stable.

ACF’s primary mechanism for assessing and assisting states in improving performance is the Child and Family Services review process which requires states to engage in program improvement in areas of non-conformity. The first review has been completed in all 50 states, Puerto Rico and the District of Columbia. Every jurisdiction has been required to engage in program improvement.

Performance Goal	Results	Context
Increase the percentage of children who exit foster care within two years of placement either through guardianship or adoption.	The results for this measure indicate that the FY 2004 annual target of a 33 percent exit rate was met with an actual exit rate of 34 percent.	Both adoption and guardianship are possible permanency outcomes for foster children when reunification with parents or relatives is not possible.

Adoption Assistance – The Adoption Assistance program was PARTed in the FY 2007 budget cycle and received a rating of Moderately Effective. Performance information is included in the Detail of Performance Analysis under Child Welfare.

ACF has one adoption measure which has evolved to take into account the decreasing foster care population. The original measure, the number of adoptions finalized each year, has become less

meaningful as there are fewer children in foster care who may exit to adoption. Using an adoption rate based on the number of children adopted one year divided by the number of foster children in care at the end of the prior year, we can monitor progress in adoption outcomes relative to how many children might exit to adoption. In FY 2004, the adoption rate was 9.8%. This is computed by dividing the 51,000 adoptions in FY 2004 by the 521,000 foster children in care at the end of FY 2003. This rate may increase as additional adoptions for that year are reported.

Performance Goal	Results	Context
Increase the adoption rate.	The FY 2004 target of 9.65% was exceeded with an actual adoption rate of 9.8%.	ACF has replaced a prior measure of total adoptions with a new outcome measure of an adoption rate calculated from the annual number of adoptions divided by the number of children in foster care at the end of the prior year. Developed through the PART process, the new adoption rate measure takes into account the critical factor of the number of children in foster care who are “available” for adoption.

Independent Living – A PART review was conducted as part of the FY 2006 budget process. The program was rated Results Not Demonstrated.

Performance measurement will be provided for the Independent Living Program through the data collected by the National Youth in Transition Database (NYTD). When the NYTD is implemented within the next few years, annual measures will document whether specific outcomes have been achieved, such as whether there has been an increase in the percentage of youth who:

- have resources to meet their living expenses,
- have a safe place to live,
- attain their educational or vocational goals,
- have positive relationships with adults in their lives,
- avoid high-risk behaviors, and
- are able to access needed health services.

Rationale for the Budget Request – In FY 2007, federal assistance of \$4,786,000,000 is requested for the Foster Care program, an increase of \$101,000,000 compared to the FY 2006 enacted level. Of this amount, \$1,215,000,000 was made available for the first quarter of FY 2007 in the FY 2006 appropriation. In addition, \$1,249,000,000 is requested for the first quarter of FY 2008 to ensure timely first quarter grant awards. This request includes funding for the child welfare alternative funding option proposed in the FY 2004 budget, and the FY 2006 legislative proposal to increase funds required to pay the District of Columbia at the federal match rate equal to that used in the Medicaid programs, as is done in the states.

In FY 2007, federal assistance of \$2,047,000,000 is requested for Adoption Assistance, an increase of \$164,000,000 above the FY 2006 level. Of this amount, \$480,000,000 was included in the FY 2006 Conference report for the first quarter of FY 2007. An estimated average of 420,100 children per month, an increase of 29,300 children over FY 2006, will have payments made on their behalf. In addition, \$567,000,000 is requested for the first quarter of FY 2008 to ensure timely first quarter grant awards. This request also reflects the FY 2006 legislative proposal to increase funds to pay the District of Columbia at the federal match rate equal to that used in the Medicaid programs, as is done in the states.

The FY 2007 request of \$140,000,000 for the Independent Living program is the same as the FY 2006 enacted level. This will allow continued grants to support the basic Independent Living Program to provide services and support to children aging out of foster care.

Resource and Program Data
Foster Care

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$4,354,962,000	4,615,916,000	\$4,769,698,000
Discretionary			
Research/Evaluation			1,000,000
Demonstration/Development			
Training/Technical Assistance	15,263,000	16,058,000	13,950,000
Program Support ¹	973,000	1,026,000	1,352,000
Total, Resources	\$4,371,198,000	\$4,633,000,000 ²	\$4,786,000,000
<u>Program Data:</u>			
Number of Grants	53	53	53
New Starts:			
#	52	52	52
\$	\$4,354,962,000	\$4,615,916,000	\$4,769,698,000
Continuations:			
#	1	1	1
\$	\$800,000	\$800,000	\$800,000
Contracts:			
#	7	7	10
\$	\$14,463,000	\$15,258,000	\$14,150,000
Interagency Agreements:			
#	2	1	1
\$	\$732,000	\$785,000	\$820,000

¹ Includes funding for information technology support, contractor fees and contractor support. In FY 2007, amounts include funding for monitoring and review activities.

² Assumes lapse of \$52 million.

Resource and Program Data
Adoption Assistance

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,712,125,000	\$1,883,000,000	\$2,047,000,000
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,712,125,000	\$1,883,000,000 ¹	\$2,047,000,000
<u>Program Data:</u>			
Number of Grants	52	52	52
New Starts:			
#	52	52	52
\$	\$1,712,125,000	\$1,703,000,000	\$2,047,000,000
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	0	0	0
\$	\$0	\$0	\$0
Interagency Agreements:			
#	0	0	0
\$	\$0	\$0	\$0

¹ Includes \$88 million appropriated through indefinite authority.

Resource and Program Data
Independent Living

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$137,900,000	\$137,900,000	\$137,900,000
Discretionary			
Research/Evaluation	1,300,000	1,324,000	1,315,000
Demonstration/Development			
Training/Technical Assistance	450,000	450,000	450,000
Program Support ¹	346,000	326,000	335,000
Total, Resources	\$139,996,000	\$140,000,000	\$140,000,000
<u>Program Data:</u>			
Number of Grants	53	53	53
New Starts:			
#	53	53	53
\$	\$138,350,000	\$138,350,000	\$138,350,000
Continuations:			
#	0	0	0
\$	\$0	\$0	\$0
Contracts:			
#	2	2	2
\$	\$1,300,000	\$1,324,000	\$1,315,000
Interagency Agreements:			
#	2	2	2
\$	\$70,000	\$62,000	\$62,000

¹ Includes funding for information technology support, staffing and associated overhead costs, and support for Departmental evaluation activities.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Title IV-E Foster Care (CFDA #93.658)

	FY 2005	FY 2006	FY 2007	Difference
STATE/TERRITORY	Actual	Enacted	Estimate	+/- 2006
Alabama	\$22,752,836	\$24,116,212	\$24,789,044	\$672,832
Alaska	19,542,173	20,713,162	21,291,050	577,888
Arizona	79,927,416	84,716,758	87,080,318	2,363,560
Arkansas	31,436,837	33,320,568	34,250,197	929,629
California	1,081,924,410	1,146,754,563	1,178,748,502	31,993,939
Colorado	51,711,099	54,809,687	56,338,853	1,529,166
Connecticut	85,176,363	90,280,228	92,799,006	2,518,778
Delaware	4,937,404	5,233,259	5,379,265	146,006
District of Columbia	21,346,593	22,625,705	23,256,952	631,247
Florida	136,808,590	145,006,318	149,051,930	4,045,612
Georgia	68,401,100	72,499,772	74,522,483	2,022,711
Hawaii	23,911,965	25,344,797	26,051,906	707,109
Idaho	8,412,545	8,916,634	9,165,404	248,770
Illinois	255,716,726	271,039,565	278,601,448	7,561,883
Indiana	61,677,839	65,373,646	67,197,542	1,823,896
Iowa	23,353,633	24,753,009	25,443,607	690,598
Kansas	32,145,148	34,071,322	35,021,897	950,575
Kentucky	50,856,265	53,903,631	55,407,518	1,503,887
Louisiana	63,977,311	67,810,905	69,702,799	1,891,894
Maine	3,259,080	3,454,368	3,550,743	96,375
Maryland	130,274,290	138,080,475	141,932,859	3,852,384
Massachusetts	44,908,091	47,599,035	48,927,027	1,327,992
Michigan	117,123,274	124,141,435	127,604,926	3,463,491
Minnesota	70,957,281	75,209,123	77,307,424	2,098,301
Mississippi	6,409,048	6,793,086	6,982,610	189,524
Missouri	52,872,586	56,040,772	57,604,285	1,563,513
Montana	11,471,999	12,159,414	12,498,656	339,242
Nebraska	24,763,006	26,246,834	26,979,109	732,275
Nevada	24,285,637	25,740,860	26,459,019	718,159
New Hampshire	18,110,866	19,196,090	19,731,652	535,562
New Jersey	53,540,412	56,748,615	58,331,876	1,583,261
New Mexico	15,928,006	16,882,430	17,353,442	471,012
New York	451,539,307	478,596,060	491,948,677	13,352,617
North Carolina	63,943,210	67,774,760	69,665,646	1,890,886
North Dakota	10,566,224	11,199,364	11,511,821	312,457

	FY 2005	FY 2006	FY 2007	Difference
STATE/TERRITORY	Actual	Enacted	Estimate	+/- 2006
Ohio	227,478,759	241,109,547	247,836,396	6,726,849
Oklahoma	34,348,037	36,406,211	37,421,928	1,015,717
Oregon	50,485,644	53,510,802	55,003,730	1,492,928
Pennsylvania	310,369,715	328,967,424	338,145,469	9,178,045
Rhode Island	10,942,275	11,597,949	11,921,527	323,578
South Carolina	10,220,321	10,832,734	11,134,962	302,228
South Dakota	4,284,400	4,541,126	4,667,821	126,695
Tennessee	26,605,902	28,200,158	28,986,930	786,772
Texas	215,896,229	228,832,979	235,217,317	6,384,338
Utah	23,566,175	24,978,287	25,675,170	696,883
Vermont	10,295,599	10,912,523	11,216,978	304,455
Virginia	41,596,019	44,088,500	45,318,550	1,230,050
Washington	77,032,707	81,648,595	83,926,554	2,277,959
West Virginia	22,427,979	23,771,889	24,435,114	663,225
Wisconsin	62,792,716	66,555,328	68,412,192	1,856,864
Wyoming	1,188,294	1,259,498	1,294,637	35,139
Subtotal	4,353,499,341	4,614,366,012	4,743,104,768	128,738,756
Puerto Rico	1,462,362	1,549,988	1,593,232	43,244
Subtotal	1,462,362	1,549,988	1,593,232	43,244
Total States/Territories	4,354,961,703	4,615,916,000	4,744,698,000	128,782,000
Technical Assistance	16,236,657	17,084,000	16,302,000	-782,000
New Program Option	0	0	25,000,000	25,000,000
Subtotal Adjustments	16,236,657	17,084,000	41,302,000	24,218,000
TOTAL RESOURCES	\$4,371,198,360	\$4,633,000,000¹	\$4,786,000,000	\$153,000,000

¹ Assumes lapse of \$52 million.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Title IV-E Adoption Assistance (CFDA #93.659)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$6,920,048	\$7,610,689	\$8,273,543	\$662,854
Alaska	7,672,862	8,438,636	9,173,600	734,964
Arizona	25,983,262	28,576,468	31,065,338	2,488,870
Arkansas	10,297,863	11,325,620	12,312,026	986,406
California	291,220,931	320,285,638	348,180,937	27,895,299
Colorado	21,145,464	23,255,844	25,281,313	2,025,469
Connecticut	21,854,701	24,035,865	26,129,270	2,093,405
Delaware	1,702,094	1,871,968	2,035,007	163,039
District of Columbia	7,887,279	8,674,453	9,429,955	755,502
Florida	51,241,321	56,355,356	61,263,630	4,908,274
Georgia	33,749,488	37,117,787	40,350,563	3,232,776
Hawaii	9,537,062	10,488,889	11,402,419	913,530
Idaho	2,967,302	3,263,448	3,547,678	284,230
Illinois	83,121,913	91,417,726	99,379,758	7,962,032
Indiana	32,324,786	35,550,895	38,647,203	3,096,308
Iowa	32,653,798	35,912,744	39,040,566	3,127,822
Kansas	9,058,681	9,962,764	10,830,472	867,708
Kentucky	22,584,346	24,838,330	27,001,626	2,163,296
Louisiana	12,886,751	14,172,887	15,407,275	1,234,388
Maine	13,379,605	14,714,929	15,996,527	1,281,598
Maryland	19,300,383	21,226,618	23,075,352	1,848,734
Massachusetts	31,543,982	34,692,165	37,713,681	3,021,516
Michigan	102,887,961	113,156,484	123,011,855	9,855,371
Minnesota	22,518,901	24,766,354	26,923,381	2,157,027
Mississippi	4,129,489	4,541,624	4,937,177	395,553
Missouri	28,645,112	31,503,979	34,247,820	2,743,841
Montana	4,266,657	4,692,482	5,101,174	408,692
Nebraska	8,557,418	9,411,474	10,231,166	819,692
Nevada	8,564,435	9,419,191	10,239,556	820,365
New Hampshire	4,186,411	4,604,227	5,005,233	401,006
New Jersey	30,055,043	33,054,625	35,933,520	2,878,895
New Mexico	11,318,119	12,447,701	13,531,834	1,084,133
New York	219,823,056	241,762,047	262,818,327	21,056,280
North Carolina	27,886,686	30,669,860	33,341,053	2,671,193
North Dakota	3,083,066	3,390,765	3,686,084	295,319

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	145,842,018	160,397,483	174,367,311	13,969,828
Oklahoma	19,944,034	21,934,508	23,844,895	1,910,387
Oregon	28,968,458	31,859,596	34,634,409	2,774,813
Pennsylvania	75,181,623	82,684,971	89,886,424	7,201,453
Rhode Island	9,216,396	10,136,220	11,019,034	882,814
South Carolina	11,700,372	12,868,104	13,988,852	1,120,748
South Dakota	2,567,148	2,823,357	3,069,257	245,900
Tennessee	18,161,128	19,973,662	21,713,270	1,739,608
Texas	55,047,928	60,541,874	65,814,772	5,272,898
Utah	6,799,805	7,478,446	8,129,781	651,335
Vermont	7,880,053	8,666,506	9,421,315	754,809
Virginia	15,234,694	16,755,161	18,214,453	1,459,292
Washington	29,940,923	32,929,116	35,797,079	2,867,963
West Virginia	12,722,187	13,991,899	15,210,524	1,218,625
Wisconsin	46,937,451	51,621,947	56,117,964	4,496,017
Wyoming	547,237	601,853	654,271	52,418
Subtotal	1,711,647,731	1,882,475,235	2,046,429,530	163,954,295
Puerto Rico	477,145	524,765	570,470	45,705
Subtotal	477,145	524,765	570,470	45,705
Total States/Territories	1,712,124,876	1,883,000,000	2,047,000,000	164,000,000
TOTAL RESOURCES	\$1,712,124,876	\$1,883,000,000¹	\$2,047,000,000	\$164,000,000

¹ Includes \$88 million appropriated through indefinite authority.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Independent Living Program (CFDA #93.674)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$1,563,344	\$1,563,344	\$1,563,344	\$0
Alaska	524,629	524,629	524,629	0
Arizona	1,991,020	1,991,020	1,991,020	0
Arkansas	771,514	771,514	771,514	0
California	25,012,729	25,012,729	25,012,729	0
Colorado	2,251,277	2,251,277	2,251,277	0
Connecticut	1,733,849	1,733,849	1,733,849	0
Delaware	500,000	500,000	500,000	0
District of Columbia	1,091,992	1,091,992	1,091,992	0
Florida	7,889,242	7,889,242	7,889,242	0
Georgia	3,506,787	3,506,787	3,506,787	0
Hawaii	763,027	763,027	763,027	0
Idaho	500,000	500,000	500,000	0
Illinois	5,556,956	5,556,956	5,556,956	0
Indiana	2,288,567	2,288,567	2,288,567	0
Iowa	1,288,685	1,288,685	1,288,685	0
Kansas	1,486,707	1,486,707	1,486,707	0
Kentucky	1,773,196	1,773,196	1,773,196	0
Louisiana	1,358,131	1,358,131	1,358,131	0
Maine	771,257	771,257	771,257	0
Maryland	2,962,870	2,962,870	2,962,870	0
Massachusetts	3,242,415	3,242,415	3,242,415	0
Michigan	5,497,293	5,497,293	5,497,293	0
Minnesota	1,887,123	1,887,123	1,887,123	0
Mississippi	723,166	723,166	723,166	0
Missouri	3,090,942	3,090,942	3,090,942	0
Montana	500,000	500,000	500,000	0
Nebraska	1,553,057	1,553,057	1,553,057	0
Nevada	587,636	587,636	587,636	0
New Hampshire	500,000	500,000	500,000	0
New Jersey	3,298,993	3,298,993	3,298,993	0
New Mexico	540,060	540,060	540,060	0
New York	11,585,958	11,585,958	11,585,958	0
North Carolina	2,451,871	2,451,871	2,451,871	0
North Dakota	500,000	500,000	500,000	0

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	4,969,320	4,969,320	4,969,320	0
Oklahoma	2,364,432	2,364,432	2,364,432	0
Oregon	2,412,523	2,412,523	2,412,523	0
Pennsylvania	5,598,104	5,598,104	5,598,104	0
Rhode Island	600,238	600,238	600,238	0
South Carolina	1,258,597	1,258,597	1,258,597	0
South Dakota	500,000	500,000	500,000	0
Tennessee	2,439,784	2,439,784	2,439,784	0
Texas	5,706,887	5,706,887	5,706,887	0
Utah	522,829	522,829	522,829	0
Vermont	500,000	500,000	500,000	0
Virginia	1,812,029	1,812,029	1,812,029	0
Washington	2,161,782	2,161,782	2,161,782	0
West Virginia	1,046,430	1,046,430	1,046,430	0
Wisconsin	2,012,108	2,012,108	2,012,108	0
Wyoming	500,000	500,000	500,000	0
Subtotal	135,949,356	135,949,356	135,949,356	0
Puerto Rico	1,950,644	1,950,644	1,950,644	0
Subtotal	1,950,644	1,950,644	1,950,644	0
Total States/Territories	137,900,000	137,900,000	137,900,000	0
Technical Assistance	2,095,887	2,100,000	2,100,000	0
Subtotal Adjustments	2,095,887	2,100,000	2,100,000	0
TOTAL RESOURCES	\$139,995,887	\$140,000,000	\$140,000,000	\$0

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

SOCIAL SERVICES BLOCK GRANT

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
APPROPRIATION LANGUAGE AND EXPLANATION OF LANGUAGE CHANGES	H-3
AMOUNTS AVAILABLE FOR OBLIGATION	H-5
SUMMARY OF CHANGES	H-5
BUDGET AUTHORITY BY ACTIVITY	H-6
BUDGET AUTHORITY BY OBJECT	H-6
SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE APPROPRIATIONS	H-7
AUTHORIZING LEGISLATION	H-8
APPROPRIATIONS HISTORY TABLE	H-9
JUSTIFICATION:	
GENERAL STATEMENT	H-10
SOCIAL SERVICES BLOCK GRANT	H-10
RESOURCE AND PROGRAM DATA	H-12
STATE TABLE	H-13

This page intentionally left blank.

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, [\$1,700,000,000 *Provided, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act shall be 10 percent.*] \$1,200,000,000: *Provided, That notwithstanding section 2003(c) of such Act, the amount specified for allocation under such section for fiscal year 2007 shall be \$1,200,000,000.*

Department of Health and Human Service Appropriations Act, 2006

[For an additional amount for “Social Services Block Grant”, \$550,000,000, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005, notwithstanding section 2003 and paragraphs (1) and (4) section 2005(a) of the Social Security Act (42 U.S.C. 1397b and 13979d(a): *Provided, That in addition to other uses permitted by title XX of the Social Security Act, funds appropriated under this heading may be used for health services (including mental health services) and for repair, renovation and construction of health facilities (including mental health facilities):* *Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.*]

Emergency Supplemental Appropriations Act to Address Hurricanes in the Gulf of Mexico and Pandemic Influenza, 2006

LANGUAGE ANALYSIS

Language Provision	Explanation
<p><i>“... Provided, That notwithstanding section 2003(c) of such Act, the amount specified for allocation under such section for fiscal year 2007 shall be \$1,200,000,000...”</i></p>	<p>This language is added to override the authorized funding level stipulated in section 2003(c) of the Social Security Act.</p>
<p>[... Provided, That notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act shall be 10 percent.]</p>	<p>This language is deleted to reflect the enactment of S. 1932 (The Deficit Reduction Act of 2005) which includes the transfer of 10 percent from TANF to SSBG.</p>
<p>[For an additional amount for “Social Services Block Grant”, \$550,000,000, for necessary expenses related to the consequences of hurricanes in the Gulf of Mexico in calendar year 2005, notwithstanding section 2003 and paragraphs (1) and (4) section 2005(a) of the Social Security Act (42 U.S.C. 1397b and 13979d(a): Provided, That in addition to other uses permitted by title XX of the Social Security Act, funds appropriated under this heading may be used for health services (including mental health services) and for repair, renovation and construction of health facilities (including mental health facilities): Provided further, That the amount provided under this heading is designated as an emergency requirement pursuant to section 402 of H. Con. Res 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006.]</p>	<p>This language is deleted to reflect the fact that the \$550 million was a one-time emergency funding provided in the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006.</p>

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Social Services Block Grant

Amounts Available for Obligation

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
Appropriation:			
Block Grant.....	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000
Hurricane Relief			
Funding.....	0	550,000,000	0
Total Obligations	\$1,700,000,000	\$2,250,000,000	\$1,200,000,000

SUMMARY OF CHANGES

2006 Enacted	\$1,700,000,000
2007 Estimate	<u>\$1,200,000,000</u>
Net Change	-\$500,000,000

	<u>2006 Current Budget Base</u>	<u>Change from Base</u>
Decreases:		
<u>Program:</u>		
Block Grant.....	\$1,700,000,000	-\$500,000,000
Total decreases.....		-\$500,000,000
Net Change		-\$500,000,000

Social Services Block Grant

Budget Authority by Activity

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
Social Services Block Grant.....	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000
Total, Budget Authority....	1,700,000,000	1,700,000,000	1,200,000,000
Hurricane Relief Funding....	\$0	\$550,000,000 ¹	\$0

Budget Authority by Object

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Grants, subsidies and contributions.....	\$1,700,000,000	\$1,200,000,000	-\$500,000,000
Total, Budget Authority	1,700,000,000	1,200,000,000	-500,000,000 ²
Hurricane Relief grants...	\$550,000,000 ¹	\$0	\$0

¹ Represents \$550 million in one-time emergency funding provided in the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 for states impacted by hurricanes in the Gulf of Mexico.

² Represents comparison of regular block grant funding provided in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Children and Families Services Program

SIGNIFICANT ITEMS IN HOUSE, SENATE AND CONFERENCE
APPROPRIATIONS COMMITTEE REPORTS

FY 2006 Defense Conference Report Language (109-359)

Item

[Mental health services for hurricane victims] – In addition to other uses, the conferees intend these funds to be available to help meet the health care needs of people affected by the hurricanes in the Gulf of Mexico in calendar year 2005 and lacking health insurance or other adequate access to care, and to help health care "safety net" providers restore and resume their operations. Accordingly, the conferees have included bill language intended to remove any uncertainties as to the eligibility of health care providers and facilities (including mental health providers and facilities) to receive Social Services Block Grant funds from this appropriation. Examples of institutions that could receive these funds include community health centers, rural hospitals and clinics, community mental health centers, public hospitals, and other providers with substantial percentages of uninsured patients. In addition to helping meet health care needs arising from the hurricanes, funds may be made available for repairs or reconstruction needed to allow health centers and similar providers to resume or expand operations, or to help key providers meet salary and other costs associated with resuming or restoring health services.

The conferees are concerned about the mental health impact of the hurricanes in the Gulf of Mexico in calendar year 2005. The Centers for Disease Control and Prevention (CDC) reports that as many as 500,000 Gulf Coast residents might need mental health care. The conferees encourage the Secretary to work with State governments in the region to ensure that adequate funding is available, within the amounts appropriated, for community safety net providers to meet this emerging public mental health crisis. (p. 508)

Action taken or to be taken

The statute clearly indicates that in addition to social services permitted under the Social Services Block Grant, appropriated funds may be used to help people affected by the hurricane in 2005 and lacking health insurance or other adequate access to care, health services to include mental health, and to help restore the health care "safety net". ACF will work with the States to ensure that the provisions of the statute are fully carried out.

Social Services Block Grant

Authorizing Legislation

	2006 Amount <u>Authorized</u>	2006 <u>Enacted</u>	2007 Amount <u>Authorized</u>	2007 <u>Estimate</u>
Social Services Block Grant (Section 2001 of the Social Security Act.)	\$1,700,000,000	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000

APPROPRIATIONS HISTORY TABLE
Social Services Block Grant

<u>Year</u>	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1997	\$2,800,000,000	\$2,480,000,000	\$2,240,000,000	\$2,500,000,000
1998	2,380,000,000	2,245,000,000	2,245,000,000	2,299,000,000
1999	1,909,000,000	2,299,000,000	1,909,000,000	1,909,000,000
2000	2,380,000,000	1,909,000,000	1,050,000,000	1,775,000,000
2001	1,775,000,000	1,700,000,000	600,000,000	1,725,000,000
2002	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2003	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2004	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2005	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
2006 Block Grant	1,700,000,000	1,700,000,000	1,700,000,000	1,700,000,000
Hurricane Relief	500,000,000			550,000,000 ¹
2007	1,200,000,000			

¹ Represents \$550 million in one-time emergency funding provided in the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006 for states impacted by hurricanes in the Gulf of Mexico.

Social Services Block Grant

Justification

Authorizing Legislation — Section 2001 of the Social Security Act.

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
Block Grant	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000	-\$500,000,000
Hurricane Relief		550,000,000		

2007 Authorization.... \$1,700,000,000.

General Statement

The Social Services Block Grant (SSBG) is designed to reduce or eliminate dependency; achieve or maintain self-sufficiency for families; help prevent neglect, abuse or exploitation of children and adults; prevent or reduce inappropriate institutional care; and secure admission or referral for institutional care when other forms of care are not appropriate. The Social Services Block Grant serves low-income children and families, the disabled, and elderly with well-documented need.

Since enactment in 1975, federal funding under Title XX has represented the federal government's partnership with states to ensure the availability of social services for vulnerable families and children and acts as the glue that holds the human services delivery system together. The Social Services Block Grant provides state and local flexibility in managing federal funds and enables states to target social services to those populations that might not otherwise be eligible for services needed to remain self-sufficient and economically independent.

Statement of the Budget Request – The FY 2007 budget request of \$1,200,000,000 for the Social Services Block Grant program will provide funding to states for a broad array of social services targeted to the needs of individuals residing within the state.

Program Description – The Social Services Block Grant is an appropriated entitlement program that serves low-income children and families, the disabled and the elderly. Social Services Block Grant funds are distributed to the 50 United States and the District of Columbia, based on each state's relative population as compared to all other states. Distributions are made to Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Commonwealth of the Northern Marianas based on the same ratio allotted to them in 1981 as compared to the total 1981 appropriation. There are no matching requirements.

Services directed toward the program's goals include, but are not limited to: child care services; protective services for children and adults; services for children and adults in foster care; services related to the management and maintenance of home day care services; employment services; information, referral, and counseling services; the preparation and delivery of meals; health support services; and appropriate combinations of services designed to meet the needs of children, the aged, the mentally impaired, the blind, the emotionally disturbed, the physically handicapped, and alcohol and drug addicted individuals. Activities supported with Social Services Block Grant funds vary from state to state, with each of the 50 States, the District of Columbia, and jurisdictions designing social services programs best suited to meet the specific needs of their residents.

Funding for the Social Services Block Grant program during the last five years has been as follows:

2002.....	\$1,700,000,000
2003.....	\$1,700,000,000
2004.....	\$1,700,000,000
2005.....	\$1,700,000,000
2006.....	\$1,700,000,000
2006.....	\$ 550,000,000 ¹

Performance Analysis – The SSBG program was rated Results Not Demonstrated in the PART process, was found to lack a national system of performance measures against which program performance can be measured and improvements sought, and critiqued for an absence of evaluations of sufficient scope of SSBG-funded activities and programs. The program’s flexibility and lack of State reporting requirements pose a challenge in developing measures. Based on PART Recommendations, the program is currently consulting with States on approaches to developing annual and long-term performance measures, and working to identify other accountability methods to ensure that SSBG funds are spend efficiently and effectively.

Rationale for the Budget Request – The FY 2007 request for the Social Services Block Grant program is \$1,200,000,000, a decrease of \$500,000,000 from the FY 2006 enacted level. The budget request for FY 2007 reflects the Results Not Demonstrated rating received in the PART assessment. Program performance outcomes may be achieved more effectively by careful targeting of federal dollars to other more clearly focused programs than through this block grant.

¹ As part of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006, Congress provided \$550 million in SSBG funds to be directed to states impacted by hurricanes in the Gulf of Mexico.

Resource and Program Data
Social Services Block Grant

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000
Hurricane Relief ¹		550,000,000	
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,700,000,000	\$2,250,000,000	\$1,200,000,000
<u>Program Data:</u>			
Number of Grants	57	57	57
New Starts:			
#	57	57	57
\$	1,700,000,000	2,250,000,000	1,200,000,000
Continuations:			
#	0	0	0
\$	0	0	0
Contracts:			
#	0	0	0
\$	0	0	0
Interagency Agreements:			
#	0	0	0
\$	0	0	0

¹ Congress provided \$550 million in SSBG funds to be directed to states impacted by hurricanes in the Gulf of Mexico as part of the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006,.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Social Services Block Grant (CFDA #93.667)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted¹	FY 2007 Estimate	Difference +/- 2006
Alabama	\$26,163,433	\$26,163,433	18,468,306	-\$7,695,127
Alaska	3,771,660	3,771,660	2,662,348	-1,109,312
Arizona	32,441,951	32,441,951	22,900,201	-9,541,750
Arkansas	15,844,916	15,844,916	11,184,647	-4,660,269
California	206,275,556	206,275,556	145,606,275	-60,669,281
Colorado	26,453,718	26,453,718	18,673,213	-7,780,505
Connecticut	20,249,276	20,249,276	14,293,607	-5,955,669
Delaware	4,752,177	4,752,177	3,354,478	-1,397,699
District of Columbia	3,275,022	3,275,022	2,311,780	-963,242
Florida	98,933,967	98,933,967	69,835,741	-29,098,226
Georgia	50,485,333	50,485,333	35,636,706	-14,848,627
Hawaii	7,310,632	7,310,632	5,160,446	-2,150,186
Idaho	7,942,659	7,942,659	5,606,583	-2,336,076
Illinois	73,556,631	73,556,631	51,922,328	-21,634,303
Indiana	36,016,047	36,016,047	25,423,092	-10,592,955
Iowa	17,114,200	17,114,200	12,080,612	-5,033,588
Kansas	15,832,086	15,832,086	11,175,590	-4,656,496
Kentucky	23,937,443	23,937,443	16,897,019	-7,040,424
Louisiana	26,137,751	26,137,751	18,450,177	-7,687,574
Maine	7,590,360	7,590,360	5,357,901	-2,232,459
Maryland	32,023,976	32,023,976	22,605,160	-9,418,816
Massachusetts + (Mass. Blind)	37,398,286	37,398,286	26,398,790	-10,999,496
Michigan	58,596,212	58,596,212	41,362,032	-17,234,180
Minnesota	29,410,779	29,410,779	20,760,550	-8,650,229
Mississippi	16,749,246	16,749,246	11,822,997	-4,926,249
Missouri	33,160,878	33,160,878	23,407,679	-9,753,199
Montana	5,334,245	5,334,245	3,765,349	-1,568,896
Nebraska	10,110,716	10,110,716	7,136,976	-2,973,740
Nevada	13,028,108	13,028,108	9,196,312	-3,831,796
New Hampshire	7,485,485	7,485,485	5,283,872	-2,201,613
New Jersey	50,216,075	50,216,075	35,446,641	-14,769,434
New Mexico	10,897,365	10,897,365	7,692,258	-3,205,107
New York	111,554,535	111,554,535	78,744,378	-32,810,157
North Carolina	48,872,383	48,872,383	34,498,153	-14,374,230
North Dakota	3,684,574	3,684,574	2,600,876	-1,083,698

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted ¹	FY 2007 Estimate	Difference +/- 2006
Ohio	66,477,722	66,477,722	46,925,451	-19,552,271
Oklahoma	20,412,974	20,412,974	14,409,158	-6,003,816
Oregon	20,692,376	20,692,376	14,606,383	-6,085,993
Pennsylvania	71,881,934	71,881,934	50,740,189	-21,141,745
Rhode Island	6,255,876	6,255,876	4,415,912	-1,839,964
South Carolina	24,107,913	24,107,913	17,017,350	-7,090,563
South Dakota	4,443,024	4,443,024	3,136,252	-1,306,772
Tennessee	33,958,811	33,958,811	23,970,925	-9,987,886
Texas	128,577,655	128,577,655	90,760,698	-37,816,957
Utah	13,669,371	13,669,371	9,648,968	-4,020,403
Vermont	3,598,946	3,598,946	2,540,432	-1,058,514
Virginia	42,937,659	42,937,659	30,308,936	-12,628,723
Washington	35,642,856	35,642,856	25,159,663	-10,483,193
West Virginia	10,523,814	10,523,814	7,428,575	-3,095,239
Wisconsin	31,811,158	31,811,158	22,454,935	-9,356,223
Wyoming	2,913,782	2,913,782	2,056,787	-856,995
Subtotal	1,690,513,552	1,690,513,552	1,193,303,684	-497,209,868
American Samoa	48,518	48,518	34,248	-14,270
Guam	293,103	293,103	206,896	-86,207
Northern Mariana Islands	58,621	58,621	41,380	-17,241
Puerto Rico	8,793,103	8,793,103	6,206,896	-2,586,207
Virgin Islands	293,103	293,103	206,896	-86,207
Subtotal	9,486,448	9,486,448	6,696,316	-2,790,132
Total States/Territories	1,700,000,000	1,700,000,000	1,200,000,000	-500,000,000
TOTAL, B.A.	\$1,700,000,000	\$1,700,000,000	\$1,200,000,000	-\$500,000,000
<i>Hurricane Relief Funding</i>		<i>550,000,000</i>		

¹ A grantee allocation formula for this funding is under development.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

PROMOTING SAFE AND STABLE FAMILIES

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
APPROPRIATION LANGUAGE AND EXPLANATION OF LANGUAGE CHANGES	I-3
AMOUNTS AVAILABLE FOR OBLIGATION.....	I-4
SUMMARY OF CHANGES	I-4
BUDGET AUTHORITY BY ACTIVITY	I-5
BUDGET AUTHORITY BY OBJECT	I-5
AUTHORIZING LEGISLATION	I-6
APPROPRIATIONS HISTORY TABLE.....	I-7
JUSTIFICATION:	
PROMOTING SAFE AND STABLE FAMILIES	I-8
RESOURCE AND PROGRAM DATA.....	I-10
STATE TABLE	I-11

This page intentionally left blank.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Promoting Safe and Stable Families

For carrying out section 436 of the Social Security Act, [\$305,000,000] \$345,000,000 and for section 437, [\$90,000,000] \$89,100,000.

Department of Health and Human Services Appropriations Act, 2006

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Promoting Safe and Stable Families

Amounts Available for Obligation

	2005 Actual	2006 Appropriation	2007 Estimate
Appropriation:			
Annual ¹	\$404,383,000	\$455,000,000	\$454,100,000
Enacted Rescission	-797,048	-900,000	
Subtotal, adjusted appropriation.....	\$403,585,952	\$454,100,000	\$454,100,000
Total Obligations	\$403,585,952	\$454,100,000	\$454,100,000

Summary of Changes

2006 Appropriation	
Total estimated budget authority.....	\$454,100,000
2007 Estimate.....	\$454,100,000
Net change	\$0

¹ This budget assumes enactment of S. 1932 (the Deficit Reduction Act of 2005). Funds are a combination of \$305 million in mandatory funds and approximately \$99.4 million in discretionary funds in FY 2005, and \$345 million in mandatory funds in FY 2006 and 2007, with discretionary funds of \$89.1 million. In addition, FY 2006 and 2007 include \$20 million in pre-appropriated funds.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Promoting Safe and Stable Families

Budget Authority by Activity
(Dollars in thousands)

	<u>2005 Actual</u>	<u>2006 Final Appropriation</u>	<u>2007 Estimate</u>
Promoting Safe and Stable Families.....	\$403,586	\$454,100	\$454,100
Total Obligations	\$403,586	\$454,100	\$454,100

Budget Authority by Object

	<u>2006 Appropriation</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Advisory and assistance services (25.1)	\$4,164,000	\$3,038,000	-\$1,126,000
Purchases from government accounts (25.3)	250,000	250,000	
Grants, subsidies and contributions (41.0)	449,686,000	450,812,000	+1,126,000
Total, Budget Authority	\$454,100,000	\$454,100,000	\$0

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Promoting Safe and Stable Families

Authorizing Legislation

	2006 Amount <u>Authorized</u>	2006 <u>Appropriation</u>	2007 Amount <u>Authorized</u> ¹	2007 Budget <u>Request</u>
Promoting Safe and Stable Families [Sections 436, 437 and 438 of the Social Security Act]	\$565,000,000	\$454,100,000	\$565,000,000	\$454,100,000

¹ The Administration is proposing legislation to reauthorize the program at the current authorized level.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Promoting Safe and Stable Families

APPROPRIATIONS HISTORY TABLE

	<u>Budget Estimate To Congress</u>	<u>House Allowance</u>	<u>Senate Allowance</u>	<u>Appropriation</u>
1998	\$255,000,000	\$255,000,000	\$255,000,000	\$255,000,000
1999	275,000,000	275,000,000	275,000,000	275,000,000
Rescission				-44,000
2000	295,000,000	295,000,000	295,000,000	295,000,000
2001	305,000,000	305,000,000	305,000,000	305,000,000
2002	572,000,000	375,000,000	375,000,000	375,000,000
Rescission				-14,000
2003	530,000,000	375,000,000	505,000,000	405,000,000
Rescission				-650,000
2004	554,978,000	404,350,000	404,350,000	405,000,000
Rescission				-617,000
2005	505,000,000	410,000,000	404,383,000	404,383,000
Rescission				-797,000
2006	410,000,000	404,000,000	395,000,000	435,000,000
Pre-appropriated				20,000,000
Rescission				-900,000
2007	434,100,000			
Pre-appropriated				20,000,000

Promoting Safe and Stable Families

Justification

Authorizing Legislation – Sections 436-438 of the Social Security Act.

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
Promoting Safe and Stable Families, B.A.	\$403,586,000	\$434,100,000	\$434,100,000	\$0
<i>State Court Improvement (pre-appropriated)</i>	<i>\$0</i>	<i>\$20,000,000</i>	<i>\$20,000,000</i>	<i>\$0</i>
Total, Program Level	\$403,586,000	\$454,100,000	\$454,100,000	\$0

2007 Authorization....\$565,000,000 (\$345,000,000 in mandatory funds and \$200,000,000 in discretionary funds as proposed in straightline reauthorization; \$20,000,000 in pre-appropriated funds)

General Statement

The Promoting Safe and Stable Families program is a combination of a capped entitlement program and a discretionary grant program. Its purpose is to enable each state to operate a coordinated program of family preservation services, community-based family support services, time-limited reunification services, and adoption promotion and support services.

- Family preservation services are designed to help families alleviate crises; maintain the safety of children in their own homes; support families who are preparing to reunify or adopt, and assist families to obtain support to address their multiple needs in a culturally sensitive manner. The definition was amended in the 2002 reauthorization to allow states to support infant safe haven programs.
- Family support services are primarily community-based preventive activities designed to promote parental competencies and behaviors that will increase the ability of families to successfully nurture their children; enable families to use other resources and opportunities available in the community; create supportive networks to enhance child-rearing abilities of parents and help compensate for the increased social isolation and vulnerability of families; and strengthen parental relationships and promote healthy marriages.
- Time-limited reunification services are provided to a child who is removed from home and placed in a foster care setting and to the parents or primary caregiver. These services are available only for 15 months from the date the child enters foster care. Time-limited reunification services facilitate the safe and timely reunification of the child with the family.
- Adoption promotion and support services are designed to encourage more adoptions out of foster care when adoptions promote the best interests of the children. They include pre- and post-adoption services designed to expedite the adoption process and support adoptive families.

This budget assumes enactment of S. 1932 (the Deficit Reduction Act of 2005). This act included several provisions impacting the Promoting Safe and Stable Families program, including increasing the

mandatory authorization by \$40 million to \$345 million and creating two new grant programs focused on improving state courts. The Administration is proposing to maintain this new level of mandatory funding, in the straightline reauthorization of this program in the FY 2007 budget.

Statement of the Budget Request – The 2007 budget request for the Promoting Safe and Stable Families program of \$454,100,000 (including \$20 million in pre-appropriated funds) will continue our investment in supporting and preserving families.

Program Description – Current law provides that one percent of the mandatory amounts and two percent of discretionary funds appropriated are reserved for allotment to tribal organizations or Indian tribes that have submitted a plan and whose allotment is greater than \$10,000. Tribal allotments are based on the number of children in the tribe relative to the number of children in all tribes with approved plans. The allotment to Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands and American Samoa is determined by a formula. From the mandatory funds, \$10 million is set aside for State Court Improvement programs to assess and improve handling of court proceedings related to foster care and adoption, and \$6 million is set aside for evaluation, research and training. An additional 3.3 percent of any discretionary funds are to be used for each of the above activities. The remaining funds are distributed to states based on the state's share of children in all states receiving food stamp benefits. States are entitled to payments equal to their allotments, for use in paying not more than 75 percent of the costs of activities under the approved state plan. The remaining 25 percent of costs must be paid with funds from non-federal sources. In addition, S. 1932 creates two new elements of the State Court Improvement program, funded by pre-appropriated dollars, focusing on improved data collection and training, and collaboration between courts and child welfare agencies.

States carry out a comprehensive planning process, consulting with a broad range of public and private agencies providing services to families, as well as with parents and families themselves, to ensure that services are coordinated and that funds are spent in a manner responsive to the needs of families.

Funding for the Promoting Safe and Stable Families Program during the last five years has been as follows:

	Mandatory	Discretionary	Pre-Appropriated	Total
2002	\$305,000,000	\$69,986,000		\$374,986,000
2003	\$305,000,000	\$99,350,000		\$404,350,000
2004	\$305,000,000	\$99,383,000		\$404,383,000
2005	\$305,000,000	\$98,586,000		\$403,586,000
2006	\$345,000,000	\$89,100,000	\$20,000,000	\$454,100,000

Performance Analysis – Performance measurement for Promoting Safe and Stable Families is part of a broader Child Welfare performance program area. Overall performance information for Child Welfare is included in the Detail of Performance Analysis exhibit.

Rationale for the Budget Request – The 2007 request for the Promoting Safe and Stable Families program is \$454,100,000, the same as the FY 2006 enacted level. While states have made progress through the child and family services review program improvement plans in broadening the array of services available to families in child welfare, these funds strengthen and enhance the availability of services targeted to achieving the goals of safety, permanency and well-being. This budget includes \$20 million in pre-appropriated funds for the State Court Improvement program.

Resource and Program Data
Promoting Safe and Stable Families¹

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$394,333,000	\$446,030,000	\$446,030,000
Discretionary			
Research/Evaluation	2,575,000	332,000	
Demonstration/Development	1,772,000	2,722,000	2,762,000
Training/Technical Assistance	4,468,000	4,660,000	5,005,000
Program Support ²	438,000	356,000	303,000
Total, Resources	\$403,586,000	\$454,100,000	\$454,100,000
<u>Program Data:</u>			
Number of Grants ³	89	133	133
New Starts:			
#	7	56	0
\$	\$1,772,000	\$21,182,000	\$0
Continuations:			
#	82	77	133
\$	\$398,288,000	\$428,504,000	\$450,812,000
Contracts:			
#	8	4	3
\$	\$2,885,000	\$4,164,000	\$3,038,000
Interagency Agreements:			
#	4	2	2
\$	\$641,000	\$250,000	\$250,000

¹ Figures represent both mandatory and discretionary portions of PSSF.

² Includes funding for information technology support, grant/paneling review, contract fees and support for Departmental evaluation activities.

³ The number of grants includes both the original program grants and the new State Court Improvement grants.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 DISCRETIONARY/MANDATORY STATE/FORMULA GRANTS

PROGRAM: Promoting Safe and Stable Families (CFDA #93.556)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$8,231,748	8,918,169	8,918,169	\$0
Alaska	859,338	930,996	930,996	0
Arizona	8,206,764	8,891,101	8,891,101	0
Arkansas	5,435,012	5,888,221	5,888,221	0
California	43,424,375	47,045,402	47,045,402	0
Colorado	3,329,769	3,607,429	3,607,429	0
Connecticut	2,851,171	3,088,922	3,088,922	0
Delaware	780,524	845,609	845,609	0
District of Columbia	1,254,317	1,358,911	1,358,911	0
Florida	16,658,331	18,047,419	18,047,419	0
Georgia	12,547,660	13,593,971	13,593,971	0
Hawaii	1,746,574	1,892,216	1,892,216	0
Idaho	1,346,475	1,458,753	1,458,753	0
Illinois	16,354,110	17,717,830	17,717,830	0
Indiana	7,711,290	8,354,311	8,354,311	0
Iowa	2,472,702	2,678,893	2,678,893	0
Kansas	2,525,547	2,736,145	2,736,145	0
Kentucky	7,582,796	8,215,102	8,215,102	0
Louisiana	11,438,069	12,391,855	12,391,855	0
Maine	1,659,941	1,798,358	1,798,358	0
Maryland	4,102,385	4,444,471	4,444,471	0
Massachusetts	4,936,259	5,347,879	5,347,879	0
Michigan	14,154,805	15,335,132	15,335,132	0
Minnesota	4,102,928	4,445,058	4,445,058	0
Mississippi	6,333,688	6,861,835	6,861,835	0
Missouri	9,133,312	9,894,912	9,894,912	0
Montana	1,097,925	1,189,477	1,189,477	0
Nebraska	1,656,561	1,794,696	1,794,696	0
Nevada	1,767,574	1,914,967	1,914,967	0
New Hampshire	718,408	778,314	778,314	0
New Jersey	5,911,315	6,404,242	6,404,242	0
New Mexico	3,526,571	3,820,642	3,820,642	0
New York	24,193,882	26,211,336	26,211,336	0
North Carolina	10,519,403	11,396,584	11,396,584	0
North Dakota	689,930	747,461	747,461	0

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	13,123,411	14,217,732	14,217,732	0
Oklahoma	6,030,388	6,533,243	6,533,243	0
Oregon	5,728,109	6,205,759	6,205,759	0
Pennsylvania	13,274,241	14,381,140	14,381,140	0
Rhode Island	1,488,981	1,613,143	1,613,143	0
South Carolina	7,287,025	7,894,668	7,894,668	0
South Dakota	902,737	978,013	978,013	0
Tennessee	10,385,901	11,251,950	11,251,950	0
Texas	35,650,238	38,623,004	38,623,004	0
Utah	1,869,305	2,025,180	2,025,180	0
Vermont	584,869	633,640	633,640	0
Virginia	6,320,155	6,847,173	6,847,173	0
Washington	5,915,023	6,408,259	6,408,259	0
West Virginia	3,539,663	3,834,825	3,834,825	0
Wisconsin	5,375,810	5,824,082	5,824,082	0
Wyoming	437,470	473,949	473,949	0
Subtotal	367,174,785	397,792,379	397,792,379	0
Indian Tribes	5,021,719	5,232,000	5,232,000	0
American Samoa	238,653	252,451	252,451	0
Guam	438,970	469,157	469,157	0
Northern Mariana Islands	193,617	203,730	203,730	0
Puerto Rico	7,713,250	7,952,720	7,952,720	0
Virgin Islands	298,286	316,963	316,963	0
Subtotal	13,904,495	14,427,021	14,427,021	0
Total States/Territories	381,079,280	412,219,400	412,219,400	0
Technical Assistance	9,253,336	8,940,300	8,940,300	0
Set Aside for State Courts	13,253,336	32,940,300	32,940,300	0
Subtotal Adjustments	22,506,672	41,880,600	41,880,600	0
TOTAL RESOURCES	\$403,585,952	\$454,100,000	\$454,100,000	\$0

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
AMOUNTS AVAILABLE FOR OBLIGATION	J-3
SUMMARY OF CHANGES	J-4
BUDGET AUTHORITY BY ACTIVITY	J-5
BUDGET AUTHORITY BY OBJECT	J-6
AUTHORIZING LEGISLATION	J-7
APPROPRIATIONS HISTORY TABLE	J-8
JUSTIFICATION:	
GENERAL STATEMENT	J-9
RESOURCE AND PROGRAM DATA	J-16
STATE TABLE	J-23

This page intentionally left blank.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Temporary Assistance for Needy Families

	<u>Amounts Available for Obligation</u>		
	<u>2005 Enacted</u>	<u>2006¹ Enacted</u>	<u>2007 Estimate</u>
Appropriation			
Permanent	\$22,347,733,000	\$11,988,328,000	\$17,390,625,000
Unobligated balance			
start of year			
Contingency Fund	1,957,898,000	1,899,600,000	1,767,600,000
Unobligated balance			
start of year TANF			
Program	0	5,070,297,000	0
Total Funds Available.	24,305,631,000	18,958,225,000	19,158,625,000
Unobligated balance			
Lapsing	-51,455,000	0	0
Unobligated balance			
end of year			
Contingency Fund	-1,899,600,000	-1,767,600,000 ²	-1,888,000,000 ²
Unobligated balance			
end of year TANF			
Program	-5,070,297,000	0	0
Total obligations	\$17,284,279,000	\$17,190,625,000	\$17,270,625,000

Note: The "TANF Emergency Response and Recovery Act of 2005", P.L. 109-68, enacted during the last days of FY 2005, made \$5,139,108,000 available (as soon as practicable) to states, territories and tribes for family assistance grants and Federal Loans to the states of Louisiana, Mississippi and Alabama to assist them in providing services to the Hurricane Katrina evacuees.

¹ Throughout this budget document the FY 2006 and FY 2007 columns assume enactment of S. 1932, the Deficit Reduction Act of 2005. The Act included the following (1) reauthorization of the TANF program through 2010 by maintaining current program funding levels for Family Assistance Grants to States, Tribes and Territories; Matching Grants to Territories; Tribal Work Programs; Supplemental Grants for Population Increases (reauthorized through the end of FY 2008) and the Contingency Fund; (2) \$150 million for a new Healthy Marriage and Responsible Fatherhood Grant program; and (3) elimination of funding for both the Bonus to Reward High Performance States and the Bonus to Reward Decreases in Illegitimacy.

² After the Secretary of Agriculture notified them that their food stamp caseloads met the eligibility criteria to draw down Contingency funds during FY 2005, two States requested and were awarded Contingency funds during 2005: Tennessee \$38.3M and South Carolina \$20M. Current HHS estimates project that a number of states will access \$132 million in Contingency Funds during FY 2006 and \$112 million in Contingency Funds in FY 2007.

Temporary Assistance for Needy Families

SUMMARY OF CHANGES

2006 Estimate	\$17,058,625,000
(Obligations)	\$17,190,625,000
2007 Estimate	\$17,390,625,000
Net Change (Estimate)	+\$332,000,000
(Obligations)	\$17,270,625,000
Net change (Obligations).....	+\$80,000,000

	<u>2006</u> <u>Estimate Base</u>	<u>Change from Base</u>
Increases:		
A. <u>Program</u> :		
1. Contingency Fund	[1,900,000,000]	+\$232,000,000
2. Family Formation and Healthy Marriage Matching Grants	\$0	+\$100,000,000
Net Change.....		+\$332,000,000

Temporary Assistance for Needy Families

Budget Authority by Activity

	2005 ¹ <u>Enacted</u>	2006 <u>Enacted</u>	2007 <u>Estimate</u>
State Family Assistance Grants....	\$16,488,667,000	\$16,488,667,000	\$16,488,667,000
Territories – Family Assistance Grants.....	77,875,000	77,875,000	77,875,000
Healthy Marriage Promotion and Responsible Fatherhood Grant Program	0	150,000,000	150,000,000
Family Formation and Healthy Marriage Matching Grants.....	0	0	100,000,000
Supplemental Grants for Population Increases.....	319,450,000	319,450,000	319,450,000
Matching Grants to Territories.....	15,000,000	15,000,000	15,000,000
Tribal Work Programs	7,633,000	7,633,000	7,633,000
Bonus to Reward Decrease in Illegitimacy	100,000,000	0	0
High Performance Bonus	200,000,000	0	0
Federal Loans (forgivable).....	68,811,000		
Contingency Fund ²	[1,957,898,000]	[1,899,600,000]	[1,768,000,000] +232,000,000
Total, Budget Authority	\$17,277,436,000	\$17,058,625,000	\$17,390,625,000

¹ For purposes of comparability this table reflects the TANF Emergency Recovery and Response budget authority in the year in which it was obligated. The Federal Loans for Hurricane Katrina relief were obligated in FY 2005 and the family assistance grants to states, tribes and territories are shown in the FY 2006 column.

² Bracketed budget authority reflects unobligated balance estimates for all years. The additional \$232M is proposed as new budget authority which would bring the total amount available in the Contingency Fund to \$2B by 2007.

Temporary Assistance Children's Research and Technical Assistance

Budget Authority by Object

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
<u>Personnel Compensation:</u>			
Full-time permanent (11.1).....	\$1,247,000	\$2,228,000	981,000
Other than Full-time Permanent (11.3).....	18,000	32,000	14,000
Civilian personnel benefits (12.1).....	280,000	500,000	220,000
Subtotal, Pay Costs.....	1,545,000	2,760,000	1,215,000
Travel and transportation of persons (21.0).....	96,000	96,000	0
Rental payments to GSA (23.1).....	378,000	648,000	270,000
Printing and reproduction (24.0).....	0	0	0
<u>Other contractual services:</u>			
Advisory and assistance services (25.1).....	12,533,000	12,533,000	0
Other services (25.2).....	15,600,000	14,115,000	-1,485,000
Supplies and materials (26.0).....	8,000	8,000	0
Equipment (31.0).....	40,000	40,000	0
Grants, subsidies, and contributions (41.0).....	17,160,425,000	17,240,425,000	+80,000,000
Subtotal, Non-Pay Costs.....	17,190,625,000	17,270,625,000	+78,785,000
Total, obligations.....	17,190,625,000	17,270,625,000	+80,000,000

Temporary Assistance for Needy Families

Authorizing Legislation

	<u>2006 Amount Authorized</u>	<u>2006 Estimate</u>	<u>2007 Amount Authorized</u>	<u>2007 Estimate</u>
State Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act	Such sums	\$16,488,667,235	Such sums	\$16,488,667,235
Territories – Family Assistance Grants: Section 403(a)(1)(E) of the Social Security Act ¹	Such sums	77,875,765	Such sums	77,875,765
Matching Grants to Territories	Such sums	15,000,000	Such sums	15,000,000
Healthy Marriage and Responsible Fatherhood Grants	150,000,000	150,000,000	150,000,000	150,000,000
Family Formation and Healthy Marriage State Grants			100,000,000	100,000,000
Supplemental Grants for Population Increases: Section 403(a)(3)(E) of the SSA	Such sums	319,450,226	Such sums	319,450,226
Tribal Work Programs: Section 412(a)(2)(D) of SSA	7,633,000	7,633,000	7,633,000	7,633,000
Contingency Fund: Section 403(b) of the SSA	[1,899,600,000]	[1,899,600,000]	[1,768,000,000] +232,000,000	[1,768,000,000] +232,000,000
Total Appropriations	\$17,058,625,000	\$17,058,625,000	\$17,390,625,000	\$17,390,625,000

¹ Section 1108(a) of the Social Security Act provides for a limitation on payments to Puerto Rico, Guam, the Virgin Islands and American Samoa under titles I, X, XIV, XVI, parts A and E of title IV, and subsection 1108(b) (Matching grants). The limitations, which became permanent with the enactment of Public Law 96-272, were established by P.L. 104-193 and most recently amended by Section 5512 of P.L. 105-33, are as follows: \$107,255,000 for Puerto Rico, \$4,686,000 for Guam, \$3,554,000 for the Virgin Islands and \$1,000,000 for American Samoa.

APPROPRIATIONS HISTORY TABLE
Temporary Assistance for Needy Families

<u>Year</u>	<u>Budget Estimate to Congress</u>	<u>Appropriation</u>
1997		\$15,410,374,000
1998		16,689,175,287
1998- multi-year		800,000,000 ¹
1999		16,689,175,287
1999- multi-year		1,000,000,000 ²
2000		16,689,175,287
2001		16,689,175,287
2002		17,008,625,287 ³
2003		17,008,625,513 ³
2004		17,208,625,513 ³
2005		17,208,625,513
2005/06		5,139,108,000 ⁴ (appropriated in FY 2005)
2005/6		11,988,328,513 ⁴ (appropriated in FY 2006)
2007	17,390,625,513	

¹ In FY 1998, Congress appropriated \$800 million for Supplemental Grants for Population Increases available until expended. ACF awarded approximately \$79 million in 1998, \$160 million in 1999, \$239 million in 2000, and \$319 million in 2001 for such purposes.

² Congress appropriated a total of \$1 billion in FY 1999 for High Performance Bonus grants for fiscal years 1999 through 2003. Congress appropriated \$200 million per year for 2004 & 2005 for High Performance Bonus grants.

³ Congress appropriated \$319 million for Supplemental Grants for 2002, 2003, 2004 and 2005 as part of the basic program. ACF awarded \$319 million a year (02, 03, 04 and 05) for such purposes.

⁴ The TANF Emergency Response and Recovery Act of 2005, P.L. 109-68, enacted late in FY 2005, made \$5.1 billion available late in FY 2005 – these funds included 1st quarter 2006 allocations for states, territories and tribes for family assistance grants and Federal Loans to the states of Louisiana, Mississippi and Alabama to assist them in providing services to the Hurricane Katrina evacuees. The Deficit Reduction Act of 2005, provides the remaining three quarters worth of FY 2006 funding for the TANF program, eliminates the High Performance and Out of Wedlock Bonus funding and adds new authority for \$150 million for Healthy Marriage and Responsible Fatherhood grants.

Temporary Assistance for Needy Families

Justification

	2005 Actual	2006 ¹ Enacted	2007 Estimate	Increase or Decrease
State Family Assistance Grants	\$16,488,667,000	\$16,488,667,000	\$16,488,667,000	0
Territory Family Assistance Grants	77,875,000	77,875,000	77,875,000	0
Healthy Marriage Promotion and Responsible Fatherhood Grant program	0	150,000,000	150,000,000	0
Family Formation and Healthy Marriage Grants	0	0	100,000,000	+100,000,000
Supplemental Grants for Population Increases	319,450,000	319,450,000	319,450,000	0
Matching Grants to Territories	15,000,000	15,000,000	15,000,000	0
Tribal Work Programs	7,633,000	7,633,000	7,633,000	
Contingency Fund	[1,957,898,000]	[1,899,600,000]	[1,768,000,000] +232,000,000	+232,000,000
Federal Loans (forgivable) ²	68,811,000	0	0	0
Bonus to Reward High Performance	200,000,000	0	0	0
Bonus to Reward Decrease in Illegitimacy	100,000,000	0	0	0
Total, BA	17,277,436,000	17,058,625,000	17,390,625,000	+\$332,000,000

¹ Bracketed budget authority in FY 2006 reflects grants that will be made from unobligated balances. In FY 2007 the President proposes a family formation matching grant program and reinstatement of full funding for the Contingency Fund to remain available for five years. The 2006 column assumes enactment of the Deficit Reduction Act of 2005 (S. 1932) which authorized TANF through the end of FY 2010.

² The "TANF Emergency Response and Recovery Act of 2005", P.L. 109-68, enacted during the last days of FY 2005, made \$68,811,000 available immediately to the States of Louisiana, Mississippi and Alabama to assist them in providing services to the Hurricane Katrina evacuees residing within their respective States. The statute prohibits the imposition of a penalty for failure to repay or make interest payments for such loans.

General Statement

Title I of P. L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), created the Temporary Assistance for Needy Families (TANF) program. The legislation repealed the Aid to Families with Dependent Children (AFDC) and related programs and replaced them with a single fixed block grant. The purpose of the TANF program is to increase state flexibility in operating programs designed to: (1) provide assistance to needy families so that children may be cared for in their own homes; (2) end dependence of needy parents by promoting job preparation, work, and marriage; (3) prevent and reduce the incidence of out-of-wedlock pregnancies; and (4) encourage the formation and maintenance of two-parent families.

This budget assumes enactment of S. 1932 (The Deficit Reduction Act of 2005). This Act addresses several critical Presidential initiatives impacting the TANF program including: (1) reauthorizing the TANF program through 2010 and maintaining current program funding levels for Family Assistance Grants to States, Tribes and Territories; Matching Grants to Territories; Tribal Work Programs; and the Contingency Fund; (2) strengthening work participation requirements; (3) creating and providing funds for a program focused on promotion of healthy marriage and responsible fatherhood; (4) reinstating authority for the Supplemental Grants for Population Increases program through FY 2008; and eliminating funding for both the Bonus to Reward High Performance States and the Bonus to Reward Decreases in Illegitimacy.

In order to strengthen work participation, the Act recalibrates the caseload reduction credit by updating the base year from 1995 to 2005 – thereby reestablishing a meaningful family work participation rate requirement. Prior to this time most states had a zero, or nearly zero, target rate for parents participating in work activities. Additionally, the current statutory provision for a separate participation rate requirement for 2-parent families is retained and beginning in FY 2007 families receiving assistance in Separate State Programs (SSP) will be included in the calculation of work participation rates. The Act also requires HHS to issue regulations to ensure consistency in measuring work participation rates with regard to determining whether activities may be counted as “work activities,” how to count and verify hours of work, and determining who is a work-eligible individual. Further, the Act requires states to establish and maintain work participation verification procedures and establishes a new penalty (of not less than one percent and not more than five percent of the state family assistance grant) for state failure to comply with these procedures.

The Act also includes \$150 million for a comprehensive program focused on the promotion of healthy marriage and responsible fatherhood, which are areas that the Administration has long considered vital to ensuring that welfare reform continues to place a greater emphasis in TANF on strengthening families and improving the well-being of children. The Healthy Marriage and Responsible Fatherhood Grants program will be used to fund several key efforts specified in the statute, including healthy marriage and responsible fatherhood activities, demonstrations coordinating child welfare and TANF for at-risk tribal families, and technical assistance provided to states and tribes.

Statement of the Budget Request — The FY 2007 budget of \$17.4 billion reflects a \$332 million increase over the FY 06 funding level assuming Congressional action on several legislative proposals. These legislative proposals will build on the critical measures included in the Deficit Reduction Act of 2005 and continue to move the TANF program toward a stronger focus on promoting work, strengthening families and improving child well-being.

New legislation is proposed to authorize and appropriate \$100 million for the Family Formation and Healthy Marriage Grants previously proposed by the Administration. These competitive state grants will

be targeted to innovative approaches to promoting healthy marriage and reducing out-of-wedlock births. A dollar-for-dollar match to participate in the grant program will be required and states can use federal TANF funds to meet the match requirement. These funds will expand upon the efforts begun under the Healthy Marriage and Responsible Fatherhood Grant program established by the Deficit Reduction Act of 2005 to support a broader focus on strengthening families.

In addition, the Administration will propose legislation to fully fund the Contingency Fund at \$2 billion and modify the fund to make it easier for states to access by changing the definition of maintenance of effort and simplifying the annual reconciliation process. The request level of \$232 million is the difference between current estimates of unobligated balances in the Contingency Fund at the end of FY 2007 and \$2 billion, which is the amount originally appropriated for this program in 1997.

Finally, the Administration will propose extending authority and funding for the Supplemental Grants for Population Increases program beyond the year (FY 2008) stipulated in S.1932. This extension will make the Supplemental Grants for Population Increases program consistent with the other components of the TANF program.

Program Description

State Family Assistance Grants: Funding under the TANF program is provided primarily through State Family Assistance Grants, which are authorized and pre-appropriated at \$16.5 billion each year. State allocations are based on historic levels of welfare spending. While states must meet certain work, participation, and maintenance of effort requirements, they have enormous flexibility with their TANF funds to design programs that promote work, responsibility and self-sufficiency, and strengthen families.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients. However, states must maintain a historical level of state spending on behalf of eligible families (the maintenance of effort requirement) and must meet minimum work participation rate requirements. In addition, families who have received federally funded assistance under TANF for five cumulative years (or less at state option) are not eligible for federally funded assistance.

States may transfer up to a total of 30 percent of their TANF funds to either the Child Care and Development Block Grant program or the Social Services Block Grant (SSBG) program with not more than 10 percent transferable to SSBG.

Tribes are eligible to operate their own TANF programs and those that choose to do so receive their own Family Assistance Grants. The number of approved TANF plans has steadily increased since the first three tribal TANF programs started in July 1997. As of January 2006, 51 tribal TANF grantees covering 237 tribes and Alaska Native Villages have been approved, all of which are fully operational. Forty-one of the approved plans involve individual tribes and ten are multi-tribal TANF operations.

Territories — Family Assistance Grants: These grants provide funding to Guam, Puerto Rico and the Virgin Islands to operate their own TANF programs. Territories are subject to the same state plan, work and maintenance of effort requirements as the fifty states and the District of Columbia. A territory's allocation is based on historic funding levels, with a total of \$77.9 million made available annually.

Healthy Marriage Promotion and Responsible Fatherhood Grants: The Deficit Reduction Act of 2005 included \$150 million for the Healthy Marriage Promotion and Responsible Fatherhood Grant program

beginning in FY 2006. The Healthy Marriage portion of the initiative will be funded at approximately \$100 million to help couples, who have chosen marriage for themselves, gain greater access to marriage education services on a voluntary basis. These services will help couples acquire the skills and knowledge necessary to form and sustain a healthy marriage. All grantees must include documentation to demonstrate that the funds will not be used for other purposes and that they intend to consult with experts in domestic violence or relevant community domestic violence coalitions in developing the programs and activities. The law stipulates that the term “healthy marriage promotion activities” may include the following activities:

- Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.
- Education in high schools on the value of marriage, relationship skills, and budgeting.
- Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.
- Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.
- Marriage enhancement and marriage skills training programs for married couples.
- Divorce reduction programs that teach relationship skills.
- Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.
- Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

Within the Healthy Marriage Promotion and Responsible Fatherhood funding, approximately \$48 million will be available for activities specifically designed to promote responsible fatherhood to reverse the rise in father absence and its subsequent impact on our nation's children. ACF will award these funds on a competitive basis to states, territories, Indian tribes and tribal organizations, and public and nonprofit community entities, including religious organizations, for activities promoting responsible fatherhood. The statute defines activities promoting responsible fatherhood as the following:

- Activities to promote marriage or sustain marriage through activities such as counseling, mentoring, disseminating information about the benefits of marriage and two-parent involvement for children, enhancing relationship skills, education regarding how to control aggressive behavior, disseminating information on the causes of domestic violence and child abuse, marriage preparation programs, premarital counseling, marital inventories, skills-based marriage education, financial planning seminars, including improving a family's ability to effectively manage family business affairs by means such as education, counseling, or mentoring on matters related to family finances, including household management, budgeting, banking, and handling of financial transactions and home maintenance, and divorce education and reduction programs, including mediation and counseling.
- Activities to promote responsible parenting through activities such as counseling, mentoring, and mediation, disseminating information about good parenting practices, skills-based parenting education, encouraging child support payments, and other methods.
- Activities to foster economic stability by helping fathers improve their economic status by providing activities such as work first services, job search, job training, subsidized employment, job retention, job enhancement, and encouraging education, including career-advancing

education, dissemination of employment materials, coordination with existing employment services such as welfare-to-work programs, referrals to local employment training initiatives, and other methods.

- Activities to promote responsible fatherhood that are conducted through a contract with a nationally recognized, nonprofit fatherhood promotion organization, such as the development, promotion, and distribution of a media campaign to encourage the appropriate involvement of parents in the life of any child and specifically the issue of responsible fatherhood, and the development of a national clearinghouse to assist States and communities in efforts to promote and support marriage and responsible fatherhood.

In addition, approximately \$2 million of the Healthy Marriage and Responsible Fatherhood funding will be available to fund on a competitive basis demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part. The statute stipulates that grants shall be used to improve case management for families eligible for assistance from such a tribal program; for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and for prevention services and assistance to tribal families at risk of child abuse and neglect.

Finally, within this program the statute provides funds to support broad technical assistance provided by the federal government to states, Indian tribes and tribal organizations, receiving a grant for any program funded under this Part. In addition to the technical assistance provided to the above efforts, the statute laid the framework for enhanced technical assistance that will be provided to states and tribes as they design more meaningful work participation efforts.

Supplemental Grants for Population Increases: These grants provide additional TANF funding to states that experienced increases in their populations and/or had low levels of welfare spending per capita. A state qualified for a grant in years after FY 1998 only if it qualified in FY 1998. Territories and Tribes are not eligible. Seventeen states received a total of \$319 million for these grants in FY 2005. The Deficit Reduction Act provides authority for these grants at the FY 2005 level through the end of FY 2008.

Matching Grants to Territories: These grants are an additional source of funding to the territories. These Matching Grants are subject to a ceiling under Section 1108 of the Social Security Act and additional maintenance of effort requirements. Matching Grant funds may be used for the TANF program and the Foster Care, Adoption Assistance, and Independent Living programs. The federal-matching rate for these funds is 75 percent, and up to \$15 million is made available annually for this purpose. Use of the Matching Grant is optional.

Tribal Work Programs: These grants are available to Indian tribes and Alaska Native organizations that conducted a Job Opportunities and Basic Skills Training (JOBS) program in FY 1995. The purpose of these grants is to allow Indian tribes and Alaska Native organizations to operate a program to make work activities available to their members. Funding is authorized and pre-appropriated at \$7,633,000 for each fiscal year.

Contingency Fund: The Contingency Fund provides a funding reserve which can be used to assist states that experience economic downturns. In order to be eligible to receive Contingency Funds, a state must meet one of two criteria:

- 1) The state's unemployment rate for the most recent 3-month period for which data are available must exceed 6.5 percent and this rate must be at least 10 percent higher than the unemployment rate for the same 3-month period in either or both of the last two calendar years or;
- 2) The number of food stamp participants in the state must exceed by at least 10 percent the number of food stamp participants in the state in the comparable quarter of either FY 1994 or FY 1995.

The TANF Emergency and Response Act of FY 2005 made states eligible for the TANF Contingency Fund if short-term, nonrecurring cash benefits were provided to families who traveled from the Hurricane Katrina impacted states of Alabama, Florida, Louisiana, or Mississippi to another state as a result of the hurricane. If the state determined that these families were not receiving TANF cash benefits from another state, the state would be reimbursed for the costs they incurred for evacuee benefits provided through the end of August 2006.

The reauthorized level for the Contingency Fund through 2010 retained the above triggers and provided funding at current levels (\$1.9 billion in FY 2006).

Performance Analysis — This program was evaluated under the PART process as part of the FY 2007 budget cycle. The rating was Moderately Effective.

Six of the seven performance measures for TANF relate specifically to achieving economic independence. Further, research has shown that the seventh measure (increasing the number of children living in married two-parent families) does in fact increase the economic and overall well-being of children. Of the measures for which data are available for FY 2004, ACF met or exceeded one target: increasing earnings of TANF recipients.

One of the measures, the all-family minimum participation rate standard was statutorily established at 50 percent for FY 2002 and subsequent years. However, because of the statutory caseload reduction credit, most states currently have a zero, or nearly zero target rate for parents participating in work activities. The work participation rate for all families fell from 33.4 percent in FY 2002 to 31.3 percent in FY 2003, the second year in a row in which the national all-family rate declined. Under S.1932 a meaningful family work participation rate was established and we anticipate significant improvement in this area.

The performance targets for the employment retention measure (employment retention over three quarters rather than over two quarters) were adjusted at the time the retention measure was changed, but we did not take into consideration the dampening effect of the caseload reduction credit on the magnitude of recipient work participation. In fact for the past four years, nearly 60 percent of the adult TANF recipients have not engaged in any work/work preparation activities. We believe the current employment retention targets may be unrealistically ambitious and have changed the FY 2006 and FY 2007 targets to 61 and 62 percent respectively. ACF exceeded its target for increasing the percentage rate of earnings gained by employed adult TANF recipients between a base quarter and subsequent quarter with actual performance in FY 2004 of 37 percent (target 29 percent). The FY 2004 earnings gain rate is the new baseline for the 10 percent improvement goal by FY 2007.

Finally, the program will re-evaluate the performance measures and the associated targets to fully assess and reflect the potential policies in S. 1932, The Deficit Reduction Act of 2005.

Performance Goal	Results	Context
Increase the percentage of adult TANF recipients/former recipients employed in one quarter that were still employed in the next two consecutive quarters.	In FY 2004, ACF did not meet this performance target, with a 59 percent rate of employment retention (the FY 2004 target was 68 percent).	TANF aims not only to move recipients to work, but also to keep them in work. This measure assesses employment retention over three quarters.
Increase the percentage rate of earnings gained by employed adult TANF recipients/former recipients between a base quarter and a second subsequent quarter.	In FY 2004, ACF met this performance target, with a 37 percent rate of earnings gained. This exceeded the FY 2004 target of 29 percent.	The goal of the TANF program is not only to increase employment, but also to increase employment retention and advancement. A key indicator of this is earnings gain.

Resource and Program Data
State Family Assistance Grant

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$16,480,048,448	\$16,488,667,235	\$16,488,667,235
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$16,480,048,448	\$16,488,667,235	\$16,488,667,235
<u>Program Data:</u>			
Number of Grants ¹	90	94	94
New Starts:			
# ¹	3		
\$	18,056,438		
Continuations:			
# ¹	87	94	94
\$	16,461,992,010	16,488,667,235	16,488,667,235
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ Includes Tribal plans receiving Family Assistance Grants.

Resource and Program Data
Matching Grants to Territories

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$0	\$6,000,000	\$6,000,000
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$0	\$6,000,000	\$6,000,000
<u>Program Data:</u>			
Number of Grants	0	TBD	TBD
New Starts:			
#	0	TBD	TBD
\$	\$0	\$6,000,000	\$6,000,000
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
 Bonus to Reward Decrease in Illegitimacy¹

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$75,000,000		
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$75,000,000		
<u>Program Data:</u>			
Number of Grants	3		
New Starts:			
#	3		
\$	\$75,000,000		
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

¹ The Administration is not requesting reauthorization of this program.

Resource and Program Data
Healthy Marriage and Responsible Fatherhood Grants

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Formula			
Discretionary		\$116,800,000	\$116,800,000
Research		1,000,000	1,000,000
Demonstration		14,000,000	14,000,000
Development			
Training/Technical Assistance		12,251,000	14,066,000
Evaluation			
Program Support ¹		5,949,000	4,134,000
Other			
TOTAL PROGRAM		\$150,000,000	\$150,000,000
<u>Program Data:</u>			
Number of Applicants		750	
Number of Grants		250	
New Starts:			
#		250	
\$		\$119,800,000	
Continuations:			
#			250
\$			\$119,800,000
Contracts:			
#		10	7
\$		\$27,552,000	\$26,066,000
Interagency Agreements:			
#			
\$			

¹ Includes funding for panel reviews, information technology support, and salaries/benefits and associated overhead.

Resource and Program Data
Family Formation and Healthy Marriage Grant Program

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary ¹			\$100,000,000
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM			\$100,000,000
<u>Program Data:</u>			
Number of Grants			TBD
New Starts:			
#			
\$			\$98,000,000
Continuations:			
#			
\$			
Contracts:			
#			2
\$			\$2,000,000
Interagency Agreements:			
#			
\$			

¹ Includes funds for discretionary grants and panel review of grants in the making of the awards.

Resource and Program Data
Bonus to Reward High Performance

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$200,000,000		
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$200,000,000		
<u>Program Data:</u>			
Number of Applicants	51		
Number of Grants	42		
New Starts:			
#	42		
\$	\$200,000,000		
Continuations:			
#			
\$			
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Tribal Work Programs

	2005 Actual	2006 Estimate	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$7,558,020	\$7,633,287	\$7,633,287
Discretionary			
Research			
Demonstration			
Development			
Training/Technical Assistance			
Evaluation			
Program Support			
Other			
TOTAL PROGRAM	\$7,558,020	\$7,633,287	\$7,633,287
<u>Program Data:</u>			
Number of Grants	78	78	78
New Starts:			
#			
\$			
Continuations:			
#	78	78	78
\$	\$7,558,020	\$7,633,287	\$7,633,287
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Temporary Assistance for Needy Families (CFDA #93.558)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$122,626,461	\$104,408,461	\$104,408,461	\$0
Alaska	61,573,531	54,836,834	54,836,834	0
Arizona	226,416,505	226,130,536	226,130,536	0
Arkansas	65,787,876	62,951,233	62,951,233	0
California	3,693,923,450	3,671,818,170	3,671,818,170	0
Colorado	149,626,381	149,626,381	149,626,381	0
Connecticut	266,788,107	266,788,107	266,788,107	0
Delaware	33,318,552	32,290,981	32,290,981	0
District of Columbia	117,529,232	92,609,815	92,609,815	0
Florida	622,745,788	622,745,788	622,745,788	0
Georgia	372,028,378	368,024,967	368,024,967	0
Hawaii	99,247,069	98,904,788	98,904,788	0
Idaho	33,910,608	33,910,608	33,910,608	0
Illinois	585,809,178	585,056,960	585,056,960	0
Indiana	214,243,876	206,799,109	206,799,109	0
Iowa	137,827,630	131,524,959	131,524,959	0
Kansas	102,062,116	101,931,061	101,931,061	0
Kentucky	181,287,669	181,287,669	181,287,669	0
Louisiana	218,344,691	180,998,997	180,998,997	0
Maine	81,153,716	78,120,889	78,120,889	0
Maryland	229,098,032	229,098,032	229,098,032	0
Massachusetts	468,575,940	459,371,116	459,371,116	0
Michigan	780,507,264	775,352,858	775,352,858	0
Minnesota	278,696,952	263,434,070	263,434,070	0
Mississippi	114,973,653	95,803,252	95,803,252	0
Missouri	227,904,327	217,051,740	217,051,740	0
Montana	43,511,197	39,171,817	39,171,817	0
Nebraska	57,769,382	57,769,382	57,769,382	0
Nevada	47,385,875	47,646,820	47,646,820	0
New Hampshire	40,447,324	38,521,261	38,521,261	0
New Jersey	404,554,298	404,034,823	404,034,823	0
New Mexico	115,237,450	117,131,204	117,131,204	0
New York	2,487,311,684	2,442,930,602	2,442,930,602	0
North Carolina	338,349,547	338,349,547	338,349,547	0
North Dakota	27,719,799	26,399,809	26,399,809	0

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	742,646,585	727,968,260	727,968,260	0
Oklahoma	153,796,974	147,594,230	147,594,230	0
Oregon	167,914,961	166,798,629	166,798,629	0
Pennsylvania	724,155,234	719,499,305	719,499,305	0
Rhode Island	97,882,652	95,021,587	95,021,587	0
South Carolina	124,959,780	99,967,824	99,967,824	0
South Dakota	21,721,099	21,279,651	21,279,651	0
Tennessee	260,941,146	213,088,938	213,088,938	0
Texas	544,850,344	538,964,526	538,964,526	0
Utah	112,995,525	84,313,871	84,313,871	0
Vermont	48,471,859	47,353,181	47,353,181	0
Virginia	166,199,431	158,285,172	158,285,172	0
Washington	392,665,059	382,853,771	382,853,771	0
West Virginia	110,317,966	110,176,310	110,176,310	0
Wisconsin	320,915,119	314,499,354	314,499,354	0
Wyoming	19,203,368	18,500,530	18,500,530	0
Subtotal	17,057,930,640	16,648,997,785	16,648,997,785	0
Tribal Family Asst. Grants	141,096,066	159,119,676	159,119,676	0
Guam	3,208,892	3,388,690	3,388,690	0
Puerto Rico	71,562,501	71,562,501	71,562,501	0
Virgin Islands	2,846,564	2,846,564	2,846,564	0
Subtotal	218,714,023	236,917,431	236,917,431	0
Total States/Territories	17,276,644,663	16,885,915,216	16,885,915,216	0
Tribal New Program	7,558,020	7,633,287	7,633,287	0
Healthy Marriage and Responsible Fatherhood	0	150,000,000	150,000,000	0
Family Formation Match	0	0	100,000,000	100,000,000
Contin. Fund (CF) Bud Auth	[1,957,898,000]	[1,899,600,000]	[2,000,000,000]	0
Contin. Fund (CF) Usage	0	132,076,497	112,076,497	0
Territories Matching Fund	0	15,000,000	15,000,000	0
Subtotal adjustments	7,558,020	304,309,287	384,633,287	100,000,000
TOTAL RESOURCES	\$17,284,202,683	\$17,190,625,000,000	\$17,270,625,000	\$100,000,000

State levels include State Family Assistance Grants, High Performance bonuses, Illegitimacy bonuses, Supplemental Pop. Grants, Contingency Funds and Federal Loans for Hurricane Katrina in FY 2005. State levels for FY's 2006&7 include only State Family Assistance Grants and Supplemental Population Grants.

Notes: In 2007, the President is requesting to reinstate the full funding level for the Contingency Fund. Based on current estimates of Contingency Fund usage we estimate that a balance of \$232 million will be needed in FY 2007 to fully restore \$2M to this program. The Contingency Fund usage amounts are/will be made from the unobligated Contingency Funds balances as noted in the brackets above.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILDREN'S RESEARCH AND TECHNICAL ASSISTANCE

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
AMOUNTS AVAILABLE FOR OBLIGATION	K-3
SUMMARY OF CHANGES	K-4
BUDGET AUTHORITY BY ACTIVITY	K-4
BUDGET AUTHORITY BY OBJECT	K-5
AUTHORIZING LEGISLATION	K-6
APPROPRIATIONS HISTORY TABLE	K-7
JUSTIFICATION:	
GENERAL STATEMENT	K-8
RESOURCE AND PROGRAM DATA	K-10

This page intentionally left blank.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

Children's Research and Technical Assistance

Amounts Available for Obligation

	2005 <u>Enacted</u>	2006 <u>Enacted</u>	2007 <u>Estimate</u>
Appropriation.....	\$55,398,000	\$57,953,000	\$57,953,000
Offsetting collections.....	<u>14,956,000</u>	<u>20,646,000</u>	<u>21,545,000</u>
Subtotal, adjusted budget authority (gross).....	70,354,000	78,599,000	79,498,000
Unobligated balance start of year.....	3,882,000	992,000	0
Recovery of prior-year obligations.....	466,000	0	0
Unobligated balance, end of year to carry forward.....	<u>-992,000¹</u>	<u>0</u>	<u>0</u>
Total, gross obligations.....	\$73,486,000	\$79,591,000	\$79,498,000

¹ The amount only includes budget authority with no-year availability. There was additionally \$224,000 in unobligated balances that were only available in FY 2005.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Children's Research and Technical Assistance

SUMMARY OF CHANGES

FY 2006 Estimate	\$57,953,000
(Obligations, gross).....	79,591,000
 FY 2007 Estimate	 57,953,000
(Obligations, gross).....	79,498,000
Net change	0
(Obligations, gross).....	-93,000

Budget Authority by Activity

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
Training and Technical Assistance	\$11,466,000	\$12,318,000	\$12,318,000
Federal Parent Locator Service	22,932,000	24,635,000	24,635,000
Child Welfare Study	6,000,000	6,000,000	6,000,000
Welfare Research	15,000,000	15,000,000	15,000,000
	<hr/>	<hr/>	<hr/>
Total, Budget Authority	\$55,398,000	\$57,953,000	\$57,953,000

ADMINISTRATION FOR CHILDREN AND FAMILIES
Children's Research and Technical Assistance

Budget Authority by Object

	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Estimate</u>	<u>Increase or</u> <u>Decrease</u>
<u>Personnel Compensation:</u>			
Full-time permanent (11.1).....	\$6,977,000	\$7,272,000	+295,000
Other than full-time permanent (11.3).....	58,000	60,000	+2,000
Other personnel compensation (11.5).....	54,000	56,000	+2,000
Civilian personnel benefits (12.1).....	1,310,000	1,365,000	+55,000
Subtotal, Pay Costs.....	8,399,000	8,753,000	+354,000
Travel and transportation of persons (21.0)....	716,000	716,000	0
Transportation of things (22.0).....	33,000	33,000	0
Rental payments to GSA (23.1).....	2,514,000	2,514,000	0
Communications, utilities and miscellaneous (23.3).....	18,000	18,000	0
Printing and reproduction (24.0).....	133,000	110,000	-23,000
<u>Other contractual services:</u>			
Advisory and assistance services (25.1).....	28,971,000	29,673,000	+702,000
Other services (25.2).....	6,092,000	6,092,000	0
Purchases of goods and services from government accounts (25.3).....	6,989,000	6,859,000	-130,000
Operation and maintenance of equipment (25.7).....	12,000	0	-12,000
Subtotal, Other contractual services.....	\$42,064,000	\$42,624,000	+560,000
Supplies and materials (26.0).....	145,000	85,000	-60,000
Equipment (31.0).....	115,000	90,000	-25,000
Grants, subsidies, and contributions (41.0)....	3,831,000	3,100,000	-731,000
Subtotal, Non-Pay Costs.....	49,554,000	49,200,000	-354,000
 Total, budget authority by object class.....	 \$57,953,000	 \$57,953,000	 0
 Total, obligations ¹	 \$79,591,000	 \$79,498,000	 -93,000

¹ Obligations include fees offset from the states to pay costs associated with offset notice preparation and Federal Parent Locator Service and fees from other federal agencies to pay costs associated with the Federal Parent Locator Services. FY 2006 includes unobligated funds.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Children's Research and Technical Assistance

Authorizing Legislation

	<u>2006 Amount Authorized</u>	<u>2006 Enacted</u>	<u>2007 Amount Authorized</u>	<u>2007 Estimate</u>
1. Training and Technical Assistance: Section 452(j) of the Social Security Act ¹	Indefinite	\$12,318,000	Indefinite	\$12,318,000
2. Federal Parent Locator Service: Section 453(o) of the Social Security Act ²	Indefinite	24,635,000	Indefinite	24,635,000
3. Child Welfare Study: Section 429A of the Social Security Act	6,000,000	6,000,000	6,000,000	6,000,000
4. Welfare Research: Section 413(h) of the Social Security Act	15,000,000	15,000,000	15,000,000	15,000,000
Total Appropriation	Indefinite	\$57,953,000	Indefinite	\$57,953,000

¹ The amount authorized and appropriated is equal to the greater of 1 percent of the total amount paid to the federal government for its share of child support collections for the preceding year or the amount appropriated for this activity for fiscal year 2002.

² The amount authorized and appropriated is equal to the greater of 2 percent of the total amount paid to the federal government for its share of child support collections for the preceding year or the amount appropriated for this activity for fiscal year 2002.

ADMINISTRATION FOR CHILDREN AND FAMILIES
Children's Research and Technical Assistance

APPROPRIATIONS HISTORY TABLE

<u>Fiscal Year</u>	<u>Appropriation</u>
1997	\$59,548,000
Rescission	(21,000,000)
1998	76,440,000
Rescission	(21,000,000)
1999	72,816,000
Rescission	(21,000,000)
2000	59,992,000
Rescission	(21,000,000)
2001	60,627,000
Rescission	(21,000,000)
2002	57,953,000
Rescission	(21,026,000)
2003	35,385,000
2004	55,998,000
2005	55,398,000
2006	57,953,000
2007	57,953,000

Children's Research and Technical Assistance

Justification

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
Training and Technical Assistance [obligations]	\$11,466,000 [12,820,000]	\$11,318,000 [13,289,000]	\$11,318,000 [12,318,000]	0 [-971,000]
Federal Parent Locator Service [obligations]	22,932,000 [39,686,000]	24,635,000 [45,302,000]	24,635,000 [46,180,000]	0 [+878,000]
Child Welfare Study	6,000,000	6,000,000	6,000,000	0
Welfare Research	15,000,000	15,000,000	15,000,000	0
Total, net budget authority	\$55,398,000	\$57,953,000	\$57,953,000	0
[Total, obligations]	[\$73,486,000]	[\$79,591,000]	[\$79,498,000]	[-\$93,000]

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) authorizes and appropriates funds for welfare research and technical support for states implementing welfare reform. These efforts include training and technical assistance to support the dissemination of information and technical assistance to the states on child support enforcement activities as well as the Federal Parent Locator Service which assists states in locating non-custodial parents. Additionally, this budget assumes the enactment of S. 1932 (the Deficit Reduction Act of 2005) which reauthorizes funds for welfare research to conduct research and demonstrations relating to state welfare reform efforts and the child welfare study.

Program Description — The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) includes two provisions which target funding to the Department to strengthen the federal government's capacity to influence the effectiveness of the child support enforcement program.

The first provision, earmarking an amount equivalent to greater of either one percent of the federal share of child support collections in the prior year or the amount appropriated for this activity in fiscal year 2002, is extended to cover the Department's costs in providing technical assistance to states (including technical assistance related to state automated systems), training of state and federal staff, staffing studies, information dissemination and related activities; and to support research, demonstration, and special projects of regional or national significance relating to the operation of state child support programs. These activities are key to successful state outcomes in implementing welfare reform and attaining the anticipated benefits of the statute. Amounts under this provision are available until expended.

The second, pertaining to an amount equal to the greater of either two percent of the federal share of child support collections in the prior year or the amount appropriated for this activity in fiscal year 2002, is directed to cover the Department's costs in operating the Federal Parent Locator Service to the extent that these costs are not recovered through fees. Under PRWORA the mission and scope of the Federal Parent Locator Service was significantly expanded to add two new components--a Federal Child Support Case Registry and a National Directory of New Hires. This expansion has had a significant impact on the program's ability to collect support in interstate child support cases. About 25 percent of non-custodial parents live in a different state than the custodial parent. Amounts under this provision are available until expended.

The Administration will explore how existing data (such as available to or through the Federal Parent Locator Service), could be used to enhance the Government's ability to do more comprehensive research on the interactive effects of participation in Child Support, TANF, Medicaid and SCHIP and the relationship of program participation to employment and wages. Understanding how employment patterns affect family well-being and federal program participation will help the Administration monitor progress toward the goal of family self-sufficiency.

The Deficit Reduction Act of 2005 includes the continuation of funding for research in the areas of child abuse and welfare reform. An amount of \$15,000,000 a year is provided for the cost of conducting welfare research studies and demonstrations. Additionally, \$6,000,000 a year is made available to continue efforts on a national random sample study of children who are at-risk of child abuse or neglect, or are determined by states to have been abused or neglected.

Performance Analysis — The Child Support Enforcement and Family Support Programs chapter of this document (Chapter F) includes a summary of the performance accomplishments and goals of the child support enforcement program.

Resource and Program Data
CSE Training and Technical Assistance (Obligations¹)

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,732,000	\$7,079,240	\$5,984,240
Program Support ²	6,088,000	6,209,760	6,333,760
Total, Resources	\$12,820,000	\$13,289,000	\$12,318,000
<u>Program Data:</u>			
Number of Grants	16	12	12
New Starts:			
#	14	6	7
\$	\$1,800,000	\$827,203	\$1,150,000
Continuations:			
#	2	6	5
\$	\$187,000	\$772,797	\$450,000
Contracts:			
#	13	15	13
\$	\$2,588,000	\$3,657,000	\$2,712,000
Interagency Agreements:			
#	9	8	8
\$	\$2,196,000	\$2,237,000	\$2,237,000

¹ FY 2005 and FY 2006 obligations include unobligated funds.

² Includes funding for information technology, salaries/benefits and associated overhead costs.

Resource and Program Data
CSE Federal Parent Locator Services (Obligations¹)

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development	\$5,629,670	\$4,830,231	\$8,300,000
Training/Technical Assistance	0	0	0
Program Support ²	34,056,330	40,471,769	37,880,000
Total, Resources	\$39,686,000	\$45,302,000	\$46,180,000
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:			
#	7	7	7
\$	\$24,639,000	\$29,947,000	\$30,579,000
Interagency Agreements:			
#	6	6	6
\$	\$8,074,000	\$8,343,000	\$8,404,000

¹ Obligations include fees offset from the states to pay costs associated with offset notice preparation and Federal Parent Locator Service as well as fees from other federal agencies to pay costs associated with the Federal Parent Locator Services. FY 2005 and FY 2006 include unobligated funds.

² Includes funding for information technology, salaries/benefits and associated overhead, program development, modernization, enhancements, and maintenance costs.

Resource and Program Data
Welfare Research

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation	\$12,025,000	\$11,900,000	\$11,900,000
Demonstration/Development	0	0	0
Training/Technical Assistance	1,867,000	1,900,000	1,900,000
Program Support ¹	1,100,000	1,200,000	1,200,000
Total, Resources	\$14,992,000	\$15,000,000	\$15,000,000
<u>Program Data:</u>			
Number of Grants	8	5	5
New Starts:			
#	8	0	0
\$	\$1,692,000	\$0	\$0
Continuations:			
#	0	5	5
\$	\$0	\$1,500,000	\$1,500,000
Contracts:			
#	27	27	27
\$	\$10,713,000	\$12,442,000	\$12,442,000
Interagency Agreements:			
#	8	5	2
\$	\$1,874,000	\$1,048,000	\$1,048,000

¹ Includes funding for information technology support, contract processing fees, conference fees, printing costs, and administrative fees.

Resource and Program Data
Child Welfare Study

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation	\$5,927,000	\$5,916,000	\$5,966,000
Demonstration/Development	0	0	0
Training/Technical Assistance	0	0	0
Program Support ¹	61,000	84,000	34,000
Total, Resources	\$5,988,000	\$6,000,000	\$6,000,000
<u>Program Data:</u>			
Number of Grants	9	8	0
New Starts:			
#	9	7	0
\$	\$828,000	\$700,000	\$0
Continuations:			
#	0	1	0
\$	\$0	\$31,000	0
Contracts:			
#	5	4	4
\$	\$5,099,000	\$5,185,000	\$5,966,000
Interagency Agreements:			
#	1	1	1
\$	\$61,000	\$84,000	\$34,000

¹ Includes funding for information technology support, contract processing fees, conference fees, printing costs, and administrative fees.

This page intentionally left blank.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES

CHILD CARE ENTITLEMENT TO STATES

TABLE OF CONTENTS

<u>FY 2007 BUDGET</u>	<u>PAGE</u>
AMOUNTS AVAILABLE FOR OBLIGATION	L-3
SUMMARY OF CHANGES	L-3
BUDGET AUTHORITY BY ACTIVITY	L-4
BUDGET AUTHORITY BY OBJECT	L-4
AUTHORIZING LEGISLATION	L-5
APPROPRIATIONS HISTORY TABLE	L-5
JUSTIFICATION:	
GENERAL STATEMENT	L-6
RESOURCE AND PROGRAM DATA	L-8
STATE TABLES	L-11

This page intentionally left blank.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Administration for Children and Families
Child Care Entitlement to States

Amounts Available for Obligation¹

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
Appropriation:			
Annual.....	\$2,717,000,000	\$2,917,000,000	\$2,917,000,000
Re-appropriation of prior year funds.....	9,237,816		
Total Obligations	\$2,726,237,816	\$2,917,000,000	\$2,917,000,000

SUMMARY OF CHANGES

2006 Enacted.....	\$2,917,000,000
Total estimated budget authority.....	2,917,000,000
(Obligations)	2,917,000,000
2007 Estimate.....	\$2,917,000,000
(Obligations)	2,917,000,000
Net change	0
(Obligations)	0

¹ This budget assumes the enactment of S. 1932 (the Deficit Reduction Act of 2005) which reauthorizes the Child Care Entitlement program through 2010.

Child Care Entitlement to States

Budget Authority by Activity

	<u>2005 Enacted</u>	<u>2006 Enacted</u>	<u>2007 Estimate</u>
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Matching Child Care	1,478,342,719	1,673,842,719	1,673,842,719
Tribal Mandatory Funds	54,340,000	58,340,000	58,340,000
Training and Technical Assistance	6,792,500	7,292,500	7,292,500
Total, Budget Authority	\$2,717,000,000	\$2,917,000,000	\$2,917,000,000

Budget Authority by Object

	<u>2006 Enacted</u>	<u>2007 Estimate</u>	<u>Increase or Decrease</u>
Rental payments to GSA (23.1)	\$30,000	\$30,000	\$0
Printing and reproduction (24.1)	16,000	16,000	0
Advisory and assistance services (25.1)	6,746,000	6,746,000	0
Grants, subsidies, and contributions (41.0)	2,910,208,000	2,910,208,000	0
Total, Budget Authority	\$2,917,000,000	\$2,917,000,000	\$0

Child Care Entitlement to States

Authorizing Legislation

	2006 Amount <u>Authorized</u>	2006 <u>Enacted</u>	2007 Amount <u>Authorized</u>	2007 <u>Estimate</u>
Section 418 of the Social Security Act	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000	\$2,917,000,000

APPROPRIATIONS HISTORY TABLE

Child Care Entitlement to States

<u>Year</u>	Budget Estimate <u>To Congress</u>	<u>Appropriation</u>
1997		\$1,967,000,000
1998		2,070,387,000
1999		2,166,938,000
2000		2,367,000,000
2001		2,567,000,000
2002		2,717,000,000
2003		2,717,000,000
2004		2,717,000,000
2005		2,717,000,000
2006		2,917,000,000
2007	2,917,000,000	

Child Care Entitlement to States

Justification

	2005 Enacted	2006 Enacted	2007 Estimate	Increase or Decrease
State Mandatory Funds	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781	\$0
Matching Child Care	1,478,342,719	1,673,842,719	1,673,842,719	0
Tribal Mandatory Funds	54,340,000	58,340,000	58,340,000	0
Training and Technical Assistance	6,792,500	7,292,500	7,292,500	0
Total, BA	\$2,717,000,000	\$2,917,000,000	\$2,917,000,000	\$0

General Statement

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 (P.L. 104-193) combined child care entitlement programs with different target populations (AFDC Child Care, Transitional Child Care and At-Risk Child Care) with the Child Care and Development Block Grant (CCDBG) Act of 1990. Effective October 1, 1996, the discretionary and mandatory child care funding under this Act, designated the Child Care and Development Fund, allows states maximum flexibility in developing child care programs and enables states to use resources more effectively to meet local needs. The Child Care and Development Fund includes Mandatory, Matching, and Discretionary components. (See also discussion in the Child Care and Development Block Grant section.) This budget assumes the enactment of S. 1932 (the Deficit Reduction Act of 2005) which reauthorizes the Child Care Entitlement program through 2010 and adds \$200 million annually over the previous program level of \$2.717 billion.

Program Description: The Child Care Entitlement Fund provides grants to states and federally recognized tribes for the purposes of providing low-income families with financial assistance for child care, improving the quality and availability of child care, and establishing or expanding and conducting early childhood programs and before-and-after school programs.

In conjunction with the Child Care and Development Block Grant, these funds will:

- Allow each state maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within each state;
- Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

- Encourage states to provide consumer education information to help parents make informed choices about child care;
- Assist states in providing child care to parents trying to achieve and maintain independence from public assistance and assist other low-income working parents to maintain quality child care services for their children; and
- Assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

Mandatory Child Care — Mandatory funds are allocated to grantees based on historic levels of Title IV-A child care expenditures.

Matching Child Care — Matching funds are those remaining after Mandatory funds and the two percent of the appropriation set aside for tribes and tribal organizations are allocated. Matching funds are available to states if three conditions are met by the end of the fiscal year in which Matching funds are awarded: (1) all Mandatory funds are obligated; (2) the state's maintenance-of-effort funds are expended; and (3) the state provides its share of matching funds at the FMAP rate. Unobligated funds not spent by states will be available for reappropriation in the next fiscal year.

Training and Technical Assistance — In accordance with program regulations the Secretary may withhold no more than $\frac{1}{4}$ of one percent of the Child Care Entitlement funds made available for a fiscal year for the provision of training and technical assistance to states.

Performance Analysis — See the Child Care and Development Block Grant budget discussion and the Detail of Performance Analysis section in the *Supporting Information* for performance measures related to the Child Care Entitlement Program.

A PART review was conducted as part of the FY 2006 budget process, and the PART Summary and PART Recommendation charts follow the Rationale for the Budget Request.

Rationale for the Budget Request — The FY 2007 request of \$2,917,000,000 — the same level included in S. 1932, the Deficit Reduction Act of 2005 — will provide funding to assist states in meeting the critical child care needs of families. The Child Care Entitlement Fund helps states and communities to build the supply of high quality, affordable child care. The funds will continue ACF's commitment to providing resources that allow families to become and remain self-sufficient and productive members of society. These funds also allow families to access quality child care, which promotes child development, literacy, and school readiness. All segments of society — parents, schools, employers, health providers, faith-based institutions and other charitable agencies, states and the federal government — must be involved to ensure access to quality child care.

Resource and Program Data
Mandatory Child Care State & Tribal

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula – State	\$1,177,524,781	\$1,177,524,781	\$1,177,524,781
Formula – Tribal	54,340,000	58,340,000	58,340,000
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,231,864,781	\$1,235,864,781	\$1,235,864,781
<u>Program Data:</u>			
Number of Grants	297	289	289
New Starts:			
#			
\$			
Continuations:			
#	297	289	289
\$	\$1,231,864,781	\$1,235,864,781	\$1,235,864,781
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Resource and Program Data
Matching Child Care

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula	\$ 1,487,580,535	\$1,673,842,719	\$1,673,842,719
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance			
Program Support			
Total, Resources	\$1,487,580,535	\$1,673,842,719	\$1,673,842,719
<u>Program Data:</u>			
Number of Grants	51	51	51
New Starts:			
#			
\$			
Continuations:			
#	51	51	51
\$	\$1,487,580,535	\$1,673,842,719	\$1,673,842,719
Contracts:			
#			
\$			
Interagency Agreements:			
#			
\$			

Note: FY 2005 includes reappropriated Matching funds from prior years.

Resource and Program Data
Training and Technical Assistance

	2005 Actual	2006 Enacted	2007 Estimate
<u>Resource Data:</u>			
Service Grants:			
Formula			
Discretionary			
Research/Evaluation			
Demonstration/Development			
Training/Technical Assistance	\$6,792,500	\$7,292,500	\$7,292,500
Program Support			
Total, Resources	\$6,792,500	\$7,292,500	\$7,292,500
<u>Program Data:</u>			
Number of Grants			
New Starts:			
#			
\$			
Continuations:			
#			
\$			
Contracts:	5	5	5
#	\$6,792,500	\$7,292,500	\$7,292,500
\$			
Interagency Agreements:			
#			
\$			

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Child Care Entitlement to States-Mandatory (CFDA #93.596)

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$16,441,707	\$16,441,707	\$16,441,707	\$0
Alaska	3,544,811	3,544,811	3,544,811	0
Arizona	19,827,025	19,827,025	19,827,025	0
Arkansas	5,300,283	5,300,283	5,300,283	0
California	85,593,217	85,593,217	85,593,217	0
Colorado	10,173,800	10,173,800	10,173,800	0
Connecticut	18,738,357	18,738,357	18,738,357	0
Delaware	5,179,330	5,179,330	5,179,330	0
District of Columbia	4,566,974	4,566,974	4,566,974	0
Florida	43,026,524	43,026,524	43,026,524	0
Georgia	36,548,223	36,548,223	36,548,223	0
Hawaii	4,971,633	4,971,633	4,971,633	0
Idaho	2,867,578	2,867,578	2,867,578	0
Illinois	56,873,824	56,873,824	56,873,824	0
Indiana	26,181,999	26,181,999	26,181,999	0
Iowa	8,507,792	8,507,792	8,507,792	0
Kansas	9,811,721	9,811,721	9,811,721	0
Kentucky	16,701,653	16,701,653	16,701,653	0
Louisiana	13,864,552	13,864,552	13,864,552	0
Maine	3,018,598	3,018,598	3,018,598	0
Maryland	23,301,407	23,301,407	23,301,407	0
Massachusetts	44,973,373	44,973,373	44,973,373	0
Michigan	32,081,922	32,081,922	32,081,922	0
Minnesota	23,367,543	23,367,543	23,367,543	0
Mississippi	6,293,116	6,293,116	6,293,116	0
Missouri	24,668,568	24,668,568	24,668,568	0
Montana	3,190,691	3,190,691	3,190,691	0
Nebraska	10,594,637	10,594,637	10,594,637	0
Nevada	2,580,422	2,580,422	2,580,422	0
New Hampshire	4,581,870	4,581,870	4,581,870	0
New Jersey	26,374,178	26,374,178	26,374,178	0
New Mexico	8,307,587	8,307,587	8,307,587	0
New York	101,983,998	101,983,998	101,983,998	0
North Carolina	69,639,228	69,639,228	69,639,228	0
North Dakota	2,506,022	2,506,022	2,506,022	0

STATE/TERRITORY	FY 2005 Actual	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	70,124,656	70,124,656	70,124,656	0
Oklahoma	24,909,979	24,909,979	24,909,979	0
Oregon	19,408,790	19,408,790	19,408,790	0
Pennsylvania	55,336,804	55,336,804	55,336,804	0
Rhode Island	6,633,774	6,633,774	6,633,774	0
South Carolina	9,867,439	9,867,439	9,867,439	0
South Dakota	1,710,801	1,710,801	1,710,801	0
Tennessee	37,702,188	37,702,188	37,702,188	0
Texas	59,844,129	59,844,129	59,844,129	0
Utah	12,591,564	12,591,564	12,591,564	0
Vermont	3,944,887	3,944,887	3,944,887	0
Virginia	21,328,766	21,328,766	21,328,766	0
Washington	41,883,444	41,883,444	41,883,444	0
West Virginia	8,727,005	8,727,005	8,727,005	0
Wisconsin	24,511,351	24,511,351	24,511,351	0
Wyoming	2,815,041	2,815,041	2,815,041	0
Subtotal	1,177,524,781	1,177,524,781	1,177,524,781	0
Indian Tribes	54,340,000	58,340,000	58,340,000	0
Subtotal	54,340,000	58,340,000	58,340,000	0
Total States/Territories	1,231,864,781	1,235,864,781	1,235,864,781	0
Technical Assistance	3,532,100	3,791,840	3,791,840	0
Subtotal Adjustments	3,532,100	3,791,840	3,791,840	0
TOTAL RESOURCES	\$1,235,396,881	\$1,239,656,621	\$1,239,656,621	\$0

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES**

FY 2007 MANDATORY STATE/FORMULA GRANTS

PROGRAM: Child Care Entitlement to States-Matching (CFDA #93.596)

STATE/TERRITORY	FY 2005 Actual¹	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Alabama	\$22,357,606	24,870,995	24,870,995	\$0
Alaska	3,820,604	4,196,273	4,196,273	0
Arizona	30,878,478	36,179,063	36,179,063	0
Arkansas	13,715,661	15,434,885	15,434,885	0
California	196,683,116	221,031,536	221,031,536	0
Colorado	23,696,541	27,293,589	27,293,589	0
Connecticut	17,909,338	18,908,328	18,908,328	0
Delaware	3,888,004	4,412,503	4,412,503	0
District of Columbia	2,436,353	2,622,454	2,622,454	0
Florida	79,162,970	90,962,474	90,962,474	0
Georgia	47,211,126	54,150,193	54,150,193	0
Hawaii	6,125,571	6,905,739	6,905,739	0
Idaho	7,520,876	8,507,353	8,507,353	0
Illinois	67,355,059	74,543,531	74,543,531	0
Indiana	32,758,761	36,638,579	36,638,579	0
Iowa	14,021,304	15,300,468	15,300,468	0
Kansas	14,013,174	15,575,946	15,575,946	0
Kentucky	19,024,993	22,416,242	22,416,242	0
Louisiana	23,872,665	26,555,641	26,555,641	0
Maine	5,359,312	6,089,157	6,089,157	0
Maryland	28,033,865	31,566,346	31,566,346	0
Massachusetts	29,913,263	33,216,040	33,216,040	0
Michigan	51,749,832	56,924,941	56,924,941	0
Minnesota	25,060,700	27,892,272	27,892,272	0
Mississippi	15,583,450	17,143,154	17,143,154	0
Missouri	28,242,538	31,255,755	31,255,755	0
Montana	4,209,314	4,539,442	4,539,442	0
Nebraska	8,881,892	9,899,574	9,899,574	0
Nevada	12,082,846	14,122,679	14,122,679	0
New Hampshire	6,122,743	6,672,691	6,672,691	0
New Jersey	43,940,996	49,344,035	49,344,035	0
New Mexico	10,090,554	11,102,333	11,102,333	0
New York	94,783,793	104,119,582	104,119,582	0
North Carolina	43,067,474	48,955,193	48,955,193	0
North Dakota	2,874,501	3,066,115	3,066,115	0

STATE/TERRITORY	FY 2005 Actual ¹	FY 2006 Enacted	FY 2007 Estimate	Difference +/- 2006
Ohio	58,692,613	62,769,817	62,769,817	0
Oklahoma	17,777,242	19,683,121	19,683,121	0
Oregon	17,378,326	19,321,369	19,321,369	0
Pennsylvania	57,297,222	62,964,029	62,964,029	0
Rhode Island	4,855,963	5,457,575	5,457,575	0
South Carolina	19,967,692	23,232,086	23,232,086	0
South Dakota	3,882,233	4,281,552	4,281,552	0
Tennessee	28,868,985	31,806,423	31,806,423	0
Texas	126,491,076	146,323,418	146,323,418	0
Utah	9,821,524	17,633,642	17,633,642	0
Vermont	2,699,316	2,880,087	2,880,087	0
Virginia	36,137,995	41,241,538	41,241,538	0
Washington	30,471,185	33,506,860	33,506,860	0
West Virginia	7,780,582	8,633,201	8,633,201	0
Wisconsin	26,658,905	29,114,481	29,114,481	0
Wyoming	2,350,403	2,578,419	2,578,419	0
Subtotal	1,487,580,535	1,673,842,719	1,673,842,719	0
Technical Assistance	3,260,400	3,500,660	3,500,660	0
Subtotal Adjustments	3,260,400	3,500,660	3,500,660	0
TOTAL RESOURCES	\$1,490,840,935	\$1,677,343,379	\$1,677,343,379	\$0

¹ FY 2005 Includes reappropriated Matching funds from prior years.